



**REPORT**  
**INDIAN TEA ASSOCIATION**  
**1960**



# INDIAN TEA ASSOCIATION

Report for the year ended 31st December, 1960

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# INDIAN TEA ASSOCIATION

## *REPORT OF THE GENERAL COMMITTEE FOR THE YEAR ENDED 31ST DECEMBER, 1960.*

The General Committee have pleasure in presenting to members their report on the work of the Association during their period of office.

**Membership.**— The following Tea Companies and Tea Estates resigned from the membership of the Association during the year.—

Central Cachar Tea Co., Ltd.  
Darjeeling Consolidated Tea Co., Ltd.  
Demdima Tea Estate.  
Doloo Tea Estate.  
Doodputlee Tea Co., Ltd.  
Ellenbarrie Tea Co., Ltd.  
Engo Tea Co., Ltd.  
Kolony Tea Estate  
Mangaldai Tea Co., Ltd.  
Maud Tea & Seed Co., Ltd.  
New Glencoe Tea Co., Ltd.  
Phaskowa Tea Co., Ltd.  
Poobong Tea Co., Ltd.  
Scottpore Tea Co., Ltd.  
West Jalinga Tea Estate

The membership acreage of the Association as at the 31st December, 1960 stood at 369,668.52 acres as compared with 381,532 and 385,995 acres at 31st December, 1959 and 1958 respectively.

**General Committee, Chairman and Vice-Chairman.**— At the Annual General Meeting of the Association held on the 11th March, 1960 the following firms were declared elected by the vote of members to constitute the General Committee for the

year 1960 and the representatives of these firms who comprised the Committee during the year were as follows :—

<i>Firms,</i>	<i>Representatives</i>
Messrs. Balmer Lawrie & Co., Ltd.	Mr. H. K. FitzGerald.
„ Davenport & Co. Private Ltd.	Mr. B. P. Bajoria.
„ Duncan Brothers & Co., Ltd.	{ Mr. L. T. Carmichael Mr. A. F. Macdonald
„ Gillanders Arbuthnot & Co., Ltd.	Mr. G. A. Whitaker
„ James Finlay & Co., Ltd.	Mr. N. S. Coldwell, M.C.,
„ James Warren & Co., Ltd.	Sir Richard Duckworth, Bt.
„ Jardine Henderson Ltd.	{ Mr. I. F. Morriss, O.B.E. Mr. W. F. Hunter Arundell
„ Macneill & Barry Ltd.	{ Hon'ble S. P. Sinha Mr. M. C. Taraporvala
„ Octavius Steel & Co., Ltd.	{ Mr. G. Kydd Mr. R. H. Brown
„ Shaw Wallace & Co., Ltd.	{ Mr. H. K. Stringtellow Mr. A. C. H. Dolphin
„ Williamson Magor & Co., Ltd.	{ Mr. P. B. Nicholls Mr. F. Carman, M.B.E.
„ Andrew Yule & Co., Ltd.	{ Mr. G. F. Oldham Mr. P. A. Francis

At the first meeting of the General Committee held on the 17th March, 1960 Mr. N. S. Coldwell, M. C., of Messrs. James Finlay & Co., Ltd. was elected Chairman of the Association and Sir Richard Duckworth, Bt., of Messrs. James Warren & Co. Ltd. was elected Vice-Chairman.

Sir Richard Duckworth, Bt., resigned his appointment as Vice-Chairman in December, 1960 and Mr. I. F. Morriss, O.B.E., of Messrs. Jardine Henderson Ltd, was elected Vice-Chairman in his place at a meeting held on the 13th December, 1960.

**Sub-Committees.**— The following Sub-Committees were constituted during the year 1960 :—

*The Darjeeling and Dooars Sub-Committee.*

{	Mr. I. F. Morriss, O.B.E.,	{	Mr. C. R. F. Mackenzie
	<i>Chairman.</i>		
{	Mr. W. F. Hunter Arundell		
	Mr. F. Carman, M.B.E.	{	Mr. G. W. Maycock Mr. G. J. Duncan
{	Mr. L. T. Carmichael		
	Mr. A. F. Macdonald	{	Mr. G. F. Oldham Mr. P. A. Francis
	Mr. A. C. H. Dolphin		
{	Mr. G. Kydd	{	Mr. L. N. S. P. Pyke Mr. A. N. Sircar
	Mr. R. H. Brown		

When Mr. Morriss proceeded on leave at the end of July, 1960 Mr. G. F. Oldham acted as Chairman of the Sub-Committee. Mr. Morriss resumed the Chairmanship of the Sub-Committee in November but relinquished this office at the end of December, 1960, on his appointment as Vice-Chairman of the Association. Mr. A. C. H. Dolphin was appointed Chairman of the Sub-Committee as from the 1st January, 1961.

*Scientific Department Sub-Committee.*

{	Mr. A. K. J. Henderson,	{	Mr. D. F. Gibbs
	<i>Chairman.</i>		
{	Mr. P. B. Nicholls,		{
	<i>Vice-Chairman.</i>		
{	Mr. F. Carman, M.B.E.		{
	Mr. M. S. Christie		
{	Mr. N. S. Coldwell, M.C.		{
	Mr. A. C. H. Dolphin		
{	Mr. H. K. FitzGerald		{



*Labour Sub-Committee.*

Mr. N. S. Coldwell, M.C.,	Mr. N. P. Goenka
Chairman.	
Mr. B. P. Bajoria	{ The Hon'ble S. P. Sinha
	{ Mr. M. C. Taraporvala
{ Mr. L. T. Carmichael	
{ Mr. A. F. Macdonald	
Sir Richard Duckworth, Bt.	Mr. G. A. Whitaker

*Tea Control and Cost of Production  
Investigation Sub-Committee.*

Sir Richard Duckworth, Bt.,	{ Mr. I. F. Morris, O.B.I.
Chairman	{ Mr. W. F. Hunter Arundell
Mr. F. Carman, M.B.E.	Mr. A. N. Sircar
Mr. L. T. Carmichael	{
Mr. A. F. Macdonald	{ Mr. G. A. Whitaker
Mr. N. P. Goenka	

*Foodstuffs (Assam) Sub-Committee.*

Sir Richard Duckworth, Bt.,	{ Mr. P. B. Nicholls
Chairman.	{ Mr. F. Carman, M.B.E.
	{ Mr. H. K. Stringfellow
Mr. H. K. FitzGerald	{ Mr. A. C. H. Dolphin

*Tea Warehousing and Shipping Sub-Committee.*

Mr. H. K. FitzGerald,	{ The Hon'ble S. P. Sinha
Chairman	{ Mr. M. C. Taraporvala
{ Mr. A. E. Barker	
{ Mr. G. Morgan	Mr. M. R. Smith

*Finance and Taxation Sub-Committee*

Mr. J. S. F. Gibb, C.A.,	{ Mr. D. A. Houghton, C.A.
Chairman	{ Mr. S. P. Acharaya
Mr. F. D. Collins, A.C.A.	{ Mr. N. C. Lance, C.A.
Mr. S. B. Dutt, C.A.,	{ Mr. S. K. Mitra
	{ Mr. G. A. McCarthy, A.C.A.
Mr. D. Fordwood, C.A.	{ Mr. J. Chandy

*Supplies, Transport and Freight Rates Sub-Committee.*

Mr. A. C. H. Dolphin,	Mr. S. K. Mullick
Chairman	
{ Mr. A. E. Barker	{ The Hon'ble S. P. Sinha
{ Mr. G. Morgan	{ Mr. M. C. Taraporvala
Mr. V. K. Chaudhri	Mr. A. N. Sircar
{ Mr. J. Duncan	
{ Mr. M. M. Kapur	Mr. M. R. Smith

*Customs and Excise Sub-Committee.*

{ The Hon'ble S. P. Sinha	Mr. G. Morgan
Chairman	
{ Mr. M. C. Taraporvala	Mr. N. P. Geepka
Mr. A. E. Barker	Mr. M. R. Smith

*Bonus Sub-Committee.*

Mr. N. S. Coldwell, M.C.,	{ Mr. L. T. Carmichael
Chairman	{ A. F. Macdonald
	Sir Richard Duckworth, Bt.
Mr. B. P. Bajoria	Mr. I. F. Morriss, O.B.E.

*Metric System Sub-Committee.*

Sir Richard Duckworth, Bt.	{ Mr. L. T. Carmichael
Chairman	{ Mr. A. F. Macdonald
	Mr. H. K. Stringfellow
Mr. F. Carman, M.B.E.	{ Mr. A. C. H. Dolphin

*Land Utilisation Sub-Committee.*

Mr. H. K. Stringfellow,	{ Mr. P. B. Nicholls
Mr. A. C. H. Dolphin	{
Chairman	{ Mr. A. E. Barker
Sir Richard Duckworth, Bt.	Mr. H. K. FitzGerald

*Cachar Sub-Committee.*

Mr. I. F. Morriss, O.B.E.,	{	Mr. G. Kydd
Chairman	{	Mr. R. H. Brown
{ Mr. L. T. Carmichael	{	The Hon'ble S. P. Sinha
{ Mr. A. F. Macdonald	{	Mr. M. C. Taraporvala

When Mr. Morriss proceeded on leave at the end of July, 1960 the Hon'ble S. P. Sinha was appointed Chairman of this Sub-Committee. When Mr. Sinha went on leave in January 1961 Mr. G. Kydd was appointed to this office.

**Headquarters Staff.**— The Association's staff at Headquarters at present consists of Mr. J. L. Llewellyn, the Deputy Chairman, Mr. P. Crombie, the Calcutta Adviser and Mr. T. J. Mathias, the Additional Adviser. Mr. Crombie was on leave from April to July, 1960 and Mr. Mathias from September, 1960 to January, 1961.

The Association's secretarial work continued to be performed by the Bengal Chamber of Commerce and Industry from whose staff Mr. W. M. Paris, Mr. E. I. Brown and Mr. B. A. Tarlton were deputed to attend to the Association's work.

**Secretarial Staff of the Branch and District Associations.**— During the year under review Mr. P. N. McWilliam, the Secretary of the Assam Branch, was on leave from March to September, 1960. In his absence Mr. J. E. Atkins, Joint Secretary, Labour, acted as Secretary of the Branch.

In Zone 1 Mr. D. K. Dutta, the Additional Secretary, was on leave for two months from mid January to mid March, 1960.

In Zone 2 the Zone Secretary, Mr. J. R. Gee Smyth was on leave from May to September and the Additional Secretary Mr. K. N. Sircar from September, 1960 to January, 1961.

In Zone 3 Mr. G. R. de la Rue Browne was on leave from February to July, 1960. During his absence Mr. P. J.

parr, who had been re-appointed to the Association's service in May, 1960, assisted the Zone Secretary, Mr. G. T. Allen. Mr. Browne's services were terminated at the end of October and he left India at the beginning of December.

Mr. S. B. Dutta continued as Secretary of the Surma Valley Branch throughout the year under review.

In the Dooars Branch the Secretary, Brig. F. H. Stevens was on leave during September and October 1960 and in his absence Mr. R. C. Mazumdar, the Joint Secretary, acted as the Branch Secretary.

Lt. Col. E.S.E. Rerrie continued to serve as Secretary of the Darjeeling Branch during 1960.

**Labour Department.**— No major changes took place during the year under review in the Labour Department staff of the Association. Mr. P. J. Parr who had resigned in 1959 was re-appointed in May, 1960 and assisted the Zone 3 Labour Adviser during the months of May and June while Mr. G. R. de la Rue Browne was on leave. In June Mr. Parr was deputed to Shillong to act as Shillong Adviser while Mr. J. S. Hardman was carrying out an enquiry into the administration of the Tocklai Experimental Station. On Mr. Hardman's return to Shillong in August, Mr. Parr was posted to the Headquarters of the Assam Branch to assist Mr. J. E. Atkins, who was acting as the Branch Secretary during Mr. P. N. McWilliam's absence on leave. On Mr. McWilliam's return, Mr. Parr was deputed on Special Duty to carry out an enquiry into tasks in the tea districts in connection with the forthcoming Wage Board Enquiry. Mr. D. K. Dutta, the Zone 1 Additional Labour Adviser was on leave from mid January to mid March, 1960.

In Zone 2 the Zone Labour Adviser Mr. J. R. Gee Smyth was on leave from May to September and the Additional Labour Adviser Mr. K. N. Sircar from September, 1960 to January, 1961.

In the Dooars Branch the Additional Labour Adviser Mr. T. Borooah was on leave from January to April, 1960.

The Labour Department staff are at present posted as follows :—

Mr. J. E. Atkins		Dikom H. Q.	
Mr. R. J. Barkley	} Zone 1		} Assam Valley
Mr. D. K. Dutta			
Mr. J. R. Gee Smyth	Zone 2		
Mr. G. T. Allen	} Zone 3.		
Mr. K. N. Sircar			
Mr. S. B. Datta			Cachar
Mr. R. C. Mazumdar	Binnaguri	}	Dooars
Mr. T. Borooah	Binnaguri		
Lt. Col. E. S. E. Kerrie			Darjeeling
Mr. P. J. Parr		Officer on Special Duty	

A conference of the Association's Labour Advisers was held on the 29th and 30th January, 1960 and this provided an opportunity for an exchange of views and for the examination of the various labour matters which were receiving the consideration of the Association at the time.

**Statistical Department.**— The Association's Statistical Department continued to function in 1960 under the direction of Mr. B. A. Yushanoff. The Department has been of great assistance in collecting and analysing statistics relating to the monthly crop estimates, acreage and production figures, housing reports etc. and in providing statistical data in connection with the study of various formulae for the payment of bonus to labour.

**The Tea Board.**— (a) *The Board.* The Tea Board was reconstituted with effect from the 1st April, 1960 and the Association is now represented on the Board by the following gentlemen :—

Mr. N. S. Coldwell, M.C.  
 Mr. C. W. Emmett, O.B.E.  
 Mr. I. F. Morriss, O.B.E.  
 Mr. R. R. L. Pennell

(b) *The Executive Committee*.—The Tea Board has an Executive Committee of nine members and the following gentlemen represented the Association on it during the year under review:—

Mr. N. S. Coldwell, M.C.

Mr. I. F. Morriss, O.B.E.

(c) *Licensing Committee*.—Rule 12 of the Tea Rules 1954 provides for the constitution of two Licensing Committees : one for North India and one for South India. The Association's representatives on the North India Committee were—

Mr. I. F. Morriss, O.B.E.

Mr. R. R. L. Pennell

(d) *Ad Hoc Tea Research Liaison Committee*.—One of the functions of the Tea Board is to undertake, assist or encourage scientific, technological and economic research and the task of making recommendations for this purpose is allotted to the Tea Board's Tea Research Liaison Committee on which the Association was represented during the year under review by the following gentlemen :

Mr. N. S. Coldwell, M.C.

Mr. T. J. Mathias, D.S.C.

The Director, Tocklai Experimental Station.

(e) *Export Promotion Committee*.—The *ad hoc* Committee on Tea Promotion was replaced during the year under review by the Export Promotion Committee which consists of seven members and is entrusted with the task of promoting exports of tea. The Association is represented on this Committee by the Chairman, Mr. N. S. Coldwell, M.C.

This Committee has appointed six regional panels each under the Chairmanship of the one of non-official members of the Committee to make a close and detailed study of the difficulties faced by Indian exporters in different consuming countries. The regions covered by the panels are as follows :—

(i) U.K., Ireland and Scandinavia.

(ii) U.S.A., Canada, Argentina, Chile and West Indies.

- (iii) Australasia, Japan, Hongkong and other Far Eastern countries.
- (iv) U.S.S.R. and East European countries.
- (v) E.C.M. countries, Libya and Tunisia.
- (vi) Sudan, U.A.R., Iraq, Iran, Aden, Bahrein, Kuwait, Afghanistan and Turkey.

The American regional panel is under the Chairmanship of Mr. N. S. Coldwell, M.C. The Association is represented on the U.K. panel by Sir Richard Duckworth, Bt.

**Minimum Wage Advisory Boards and Advisory Committees.—**

(a) *Central Advisory Board.*—The Association was represented on the Minimum Wages Central Advisory Board by the Deputy Chairman, Mr. J. L. Llewellyn. A meeting of the Board was held on the 4th August, 1960 but as the Deputy Chairman was on leave at that time he was represented at the meeting by Mr. J. S. Hardman, the Shillong Adviser.

(b) *West Bengal Advisory Board.*—The Association was represented on the West Bengal Minimum Wages Advisory Board by Mr. P. Crombie, the Calcutta Adviser.

(c) *Advisory Committee for Assam.*—The Association was represented on the Minimum Wages Advisory Committee for Assam by the Deputy Chairman, Mr. J. L. Llewellyn.

**Representation of the Association on various bodies.**—The Association was represented on various public bodies during 1960 as follows:—

- (a) The Governing Body of the Endowment Fund of the School of Tropical Medicine, Calcutta by Mr. H. Mackay Tallack.
- (b) The Committee of Control of the Ross Institute of Tropical Hygiene, India Branch by Mr. H. Mackay Tallack.
- (c) The Eastern Regional Committee of the Central British Committee by Mr. G. F. Oldham.
- (d) The Railway Rates Advisory Committee by The Hon'ble S. P. Sinha.
- (e) The West Bengal Leprosy Association by Mr. V. K. Chaudhri.

- (f) West Bengal Pradesh Committee of the Sardar Vallabhbhai Patel Memorial Fund by Mr. G. A. Whitaker.
- (g) Bihar Labour Advisory Board by Mr. P. Crombie.
- (h) West Bengal Industrial Sub-Committee on Tea Plantations by Mr. T. J. Mathias.
- (i) Export Sub-Committee of the Bengal Chamber of Commerce and Industry by Mr. N. S. Coldwell, M.C.
- (j) Labour Relations Sub-Committee of the Bengal Chamber of Commerce and Industry by Mr. P. Crombie.

**Investigation by Sir Percival Griffiths.**— Sir Percival Griffiths, C.I.E. Adviser to the London Association, paid two visits to India in 1960, one in February/March when he carried out an investigation into the organisation, costs and administration of the Association, the Branches and the Tocklai Experimental Station. The other visit in November/December was in connection with general matters.

As a result certain economies were introduced by Branches and at the Tocklai Experimental Station in particular.

**Indian Tea Association (London).**— As in the past the General Committee corresponded throughout the year with the Indian Tea Association (London) on all matters of common interest and liaison between the two Associations was greatly facilitated by an interchange of visits which made possible discussion of many of the problems which confronted the Industry in 1960.

Invitations to attend meetings of the Committee were extended to the London representatives of Tea Companies, who were in India in the cold weather of 1960-61. These included Mr. H. N. Thomas, Deputy Chairman of the London Association, Mr. C. C. C. Bell, Mr. A. H. Galloway, Mr. G. W. U. Liddle, M.B.E., and Mr. O. J. Roy of the London Committee. The Chairman of the London Association Mr. R. L. Hards was in India in March/April, 1960 and the opportunity was taken to discuss the various subjects which were under correspondence between the two Associations.

In accordance with custom the Chairman and Deputy Chairman paid a visit to London in July, 1960 when discussions



on a wide range of subjects took place. These meetings were also attended by Mr. P. Crombie, the Calcutta Adviser, who was on leave in the U.K. at the time.

**United Planters Association of Southern India.**— As in the past liaison has been maintained by the Association with the United Planters Association of Southern India by an exchange of views on matters of importance to the Tea industry. The South Indian Association was represented at a meeting of the Consultative Committee of Tea Producer Associations held in Calcutta in November, 1960. The Chairman and Calcutta Adviser visited South India in August, 1960 to attend the Annual General Meeting of U.P.A.S.I. The Calcutta Adviser also attended a meeting of the Consultative Committee which was held in Madras in December, 1960.

Sir Richard Duckworth, Bt., accompanied by a representative of the Calcutta Tea Traders Association paid a visit to Cochin in May when various matters arising from the introduction of the metric system were discussed with representatives of U.P.A.S.I. and the Tea Trade Association of Cochin.

**The Branch and District Associations.**— The various Branch and District Planters Associations with whom the Committee correspond on all matters of interest to producers are as follows: —

	<i>Membership</i>	<i>Acreage</i>
Assam Branch Indian Tea Association ...	...	2,53,392
United Planters Association of Southern India ...	...	1,47,040
Dooars Branch Indian Tea Association ...	...	98,583
Indian Tea Planters Association, Jalpaiguri ...	...	61,793
Surma Valley Branch Indian Tea Association .	...	56,636
Assam Tea Planters Association ...	...	49,833
Bharatiya Cha Parishad ...	...	41,341
Darjeeling Branch Indian Tea Association ...	...	40,791
Surma Valley Indian Tea Planters Association ...	...	17,925
Terai Planters Association ...	...	12,366
Tripura Tea Association ...	...	19,864
Terai Indian Tea Planters Association ...	...	10,302
Kangra Valley Indian Planters Association ...	...	9,500
Dehra Dun Tea Planters Association ...	...	4,653

**Consultative Committee of Tea Producer Associations.**—The Consultative Committee continued to function throughout the year and held a total of six meetings, all of which were held in Calcutta, with the exception of one, which took place in December, 1960 in Madras. As in the past the Consultative Committee served a very useful function in that it provided a forum in which the employers views on various matters of interest to the Industry could be usefully exchanged. The Committee's discussions during the course of the year covered among other matters the following principal subjects:—

- (1) The question of renewing the International Tea Agreement received further consideration by the Committee but little positive progress is to be reported. A memorandum on this subject is however under preparation.
- (2) The problem of labour bonus in North East India was considered at various meetings and the discussions assisted the industry's representatives in preparing suitable formulae for the consideration of labour.
- (3) When the Government of India proposed that a National Tribunal should be appointed instead of a Wage Board, as had previously been agreed, the Consultative Committee were able to present a united front in opposing the suggestion. The nomination of the employers' representative on the Wage Board constituted by Government received the unanimous support of the Consultative Committee.
- (4) The Consultative Committee appointed a Sub-Committee to prepare a memorandum on the effect of taxation on the Tea Industry which consists of Mr. J. L. Llewellyn, Mr. J. B. Soutar and Mr. B. C. Ghose. The terms of reference of the Sub-Committee were approved by the Consultative Committee and the Sub-Committee is now engaged upon the collection of information required for the preparation of its memorandum.

- (5) A representation was made by the Committee urging Government to reduce the target of 8% for labour housing laid down under the Plantations Labour Rules and to allow the expenditure incurred to be treated as a revenue charge for tax purposes. Alternatively, a 100% tax rebate was recommended.
- (6) Following on the success of the Industry's appeal to the Supreme Court in the Assam Carriage Tax case, the Consultative Committee agreed that the Producer Associations should liaise with one another in deciding how to challenge the West Bengal Octroi Duty.

All these matters are dealt with in greater detail elsewhere in this report.

**Terai Planters Association.**— In last year's report it was recorded that a tentative decision had been taken to make the Terai Planters Association a Branch of the Association by amalgamation with either the Darjeeling Branch or the Docars Branch.

This proposal was examined by Sir Percival Griffiths during his review of the Association's organisation and on his recommendation it has since been decided that no change should be made in the present status of the Terai Planters Association.

**International Tea Agreement.**— Although there were no positive developments during the year in connection with the renewal of the International Tea Agreement, this subject continued to receive the Association's study and was discussed by the Consultative Committee of Tea Producer Associations in a discussion which did little more than reveal that the various interests concerned had not altered the views they had previously expressed. An interesting development however was the publication by the Food and Agriculture Organisation of the United Nations of a report on trends in the world production and consumption of tea, which came to the conclusion that by 1965 the world tea industry would be producing an annual surplus which might be in the region of 100 million lbs. This report was considered by the Tea Board and was largely instrumental

in the Board's deciding not to proceed with a suggestion that the Tea Export Quota system should be abolished. The Tea Board also gave some thought to a suggestion that the Government of India should investigate the possibility of an International Conference being convened to consider the desirability of renewing the International Tea Agreement, but in this connection there has not as yet been any definite development.

**Tea Control in India.**—(a) *The Tea Act.*—Control over the planting of tea in India and over its export from this country is exercised by the Government of India through the medium of the Tea Act. 1953.

(b) *The Licensing Committee.*—The provisions of the Tea Act in so far as they relate to tea control are enforced by the Tea Board acting through the medium of two Licensing Committees, one for North India and the other for South India. The Association's representatives on the North India Committee are Mr. I. F. Morriss, O.B.E., of Messrs. Jardine Henderson Ltd. and Mr. R. R. L. Pennell, Superintendent, Bishnauth Tea Co., Ltd.

(c) *Export quota allotment (i) 1959/60.*—On the 10th March, 1960 the Tea Board announced that the Government of India had declared the export quota allotment for 1959/60 at 507.5 million pounds which is equivalent to 67% of the crop basis of estates.

(ii) 1960/61.—On the 10th May, 1960 the Tea Board announced that the Government of India had authorised an interim release of export quota for 1960/61 equivalent to 55% of the crop basis of estates. Further interim releases each of 5% of the crop basis of estates were announced on the 7th November, 1960 and 8th February 1961. On last year's crop basis of 757.46 million pounds the export quota releases for 1960/61 amount to 492.35 million pounds to date.

(d) *Export of dust tea without quota.* In last year's report it was recorded that the Government of India had permitted the export of dust teas under licences which were not required to

be covered by export quota rights and such exports would be allowed up to the 31st May, 1960.

By a notification dated 31st March 1960 the Government of India extended the time limit for such exports and at present licences for the export of dust teas, which will remain valid up to the 31st May, 1961, may be applied for up to the 31st March, 1961.

(e) *Export of Tea Seed from India.*—As is customary, the Tea Board asked all Producer Associations in April, 1960 to submit details of the amount of tea seed likely to be produced by their members during the year and also the amounts likely to be required by them for replacements and new plantings. The returns submitted by tea estates indicated that their requirements of tea seed would exceed their production and in October, 1960 the Tea Board advised that the Government of India had decided that no tea seed should be allowed to be exported from India during the financial year 1960/61.

(f) *Replacement of wornout areas.*—By a notification dated the 27th October, 1960 the Government of India amended Rule 31 of the Tea Rules, 1954 so as to allow the uprooting of tea bushes over any area, permitted to be replaced under Section 12(2) of the Tea Act, to be completed within eight years from the date of the permit, instead of three years as hitherto.

**The Tea Act, 1953.**— (a) *The Act.*—During the year under review amendments were made in Sections 23 and 25 of the Tea Act by the Customs Duties and Cesses (Conversion to Metric Units) Act, 1960, to give effect to the metric system which was applied to customs duties and cesses from the 1st October, 1960.

(b) *The Rules under the Act.*—Rule 31 of the Tea Rules 1954 was amended by a notification dated the 27th October, 1960 issued by the Government of India and as a result tea gardens may now uproot tea bushes over any area, permitted to be replaced under Section 12(2) of the Tea Act, 1953, within

eight years instead of within three years as hitherto. The Government notification is reproduced in the appendices to this report.

Rule 15 of the Tea Rules relating to the filling of vacancies on the Executive and Standing Committees of the Tea Board was amended by a notification dated the 2nd May, 1960 issued by the Government of India. The notification is reproduced in the appendices to this report.

(c) *Tea Cess*.—Section 8 of the Customs Duties and Cesses (Conversion to Metric Units) Act, 1960 made an amendment to Section 25 of the Tea Act which had the effect of converting the rate of tea cess from Rs. 4/- per 100 pounds to Rs. 8.80 per quintal. By a notification No. GSR 1163 dated the 1st October, 1960 the Government of India, however, exempted tea from the payment of cess exceeding Rs. 4.40 per one hundred kilograms, which is therefore the present effective rate of tea cess.

**The Marketing of the 1960 Crop.**—(a) *Crop*.—On the basis of the monthly crop returns submitted by Agency Houses the 1960 tea crop in North East India has been estimated by the Association's Statistical Department at 239, 057.517 kilograms as compared with the revised estimate of 254,568.497 kilograms for 1959 which indicates a decrease in production of 6.09%.

(b) *Export Quota Allotment*.—On the 10th May 1960 the Tea Board announced that the Government of India had authorised an interim release of export quota for 1960/61 equivalent to 55% of the crop basis of estimates. Further interim releases each of 5% of the crop basis of estimates were announced on the 7th November, 1960, and on the 8th February, 1961. On last year's crop basis of 757.46 million pounds the export quota releases for 1960/61 amount to 492.35 million pounds to date.

(c) *Calcutta Auctions*.—The 1959 crop was expeditiously disposed of and the last Export Sale for the 1959/60 season was held at the end of March, 1960. The Dust sales, however, continued until the end of June and apart from a few odd lines

there was no carry forward of old season's teas into season 1960/61 catalogues. In line with practice during recent years, two special sales for Darjeeling teas were held on the 16th and 30th May and the first sale of the season covering teas from all districts took place on the 13th June, 1960. By the end of the year 24 sales had been held.

With effect from the commencement of the season all teas of 1960 manufacture were sold by the kilogram instead of the pound as hitherto.

(i) *Export*.—Demand at the two special Darjeeling sales was comparatively poor. Although the flavoury types were well supported at both sales and the lower priced teas also sold readily, the medium varieties were considerably below valuations and heavy withdrawals took place.

In Sale No. 1 there was a fair demand after a hesitant start and the general tone was considerably brighter than in the first sale of the previous season. During the next three sales a stronger demand developed, with good quality Assams and flavoury Darjeelings selling well.

Demand, however, eased off towards the end of July and there were considerable withdrawals in Sale No. 5.

From the middle of August prices improved and demand remained generally strong until the end of the year. During this period plain teas and the lower priced whole leaf grades remained very steady while the cheaper C.T.C. Assams sold readily with little change in rates. The higher priced varieties of these teas showed a decline in value although there was an improvement in prices during November. The average export price of all teas (exclusive of excise duty) upto sale No. 24 was Rs. 5.58 per kilogram compared with Rs. 5.25 per kilogram at the same time last year, with the Darjeeling average showing a decline of 1 nP. compared with the previous year's figure. By the end of 1960 a total of 1,336,163 chests had been sold as against 1,418,105 chests at the end of 1959.

(ii) *Internal Sales*.—Offerings in the internal auctions consisted mainly of stalky secondary grades which were unsuitable for export. Upto the end of the year offerings had amounted to 9,914 chests as against 17,525 chests during 1959, at an average price of Rs. 4.55 per kilogram against Rs. 4.39 per kilogram during the previous year.

(iii) *Dust grades*.—Demand for dust grades was active throughout the season and prices for teas from all districts showed an increase over 1959. By the end of the year 453,692 chests had been sold at an average price of Rs. 5.18 per kilogram as against 458,177 chests at an average price of Rs. 4.85 per kilogram during 1959.

(iv) *Quality*.—Early first flush teas from the higher elevations in Darjeeling were of quite attractive flavour but those from the lower levels were a trifle disappointing and generally below average. The drier conditions at the end of the first flush resulted in improved flavour but appearances suffered. Useful flavoury teas with attractive leaf were produced during the early second flush but quality fell away rapidly thereafter owing to heavy rain. Leaf appearance was maintained, however, at a satisfactory standard. Rains teas were generally fully average in leaf and colour whilst tip in the higher grades was more plentiful than usual.

Drought conditions in Assam severely affected production and in some areas the flushing capacity of the bushes was reduced well into the season. Early teas from Assam were about average in leaf appearance but liquors, except in the case of Upper Assam teas, were hardly average. The second flush produced some useful teas from Upper Assam but teas from other areas were below average. Heavy rain caused rapid and uneven growth and this coupled with the earlier damage suffered by the bushes resulted in disappointing teas when quality should have been at its peak. Rains teas were in general fully average but with rainfall becoming deficient from mid September the normal seasonal improvement in crop quality at the close of the year became apparent rather earlier than usual.



Although leaf appearance of early Dooars teas was below average later production showed improvement and during the rains both orthodox and non-wither teas were in general up to the expected standard of leaf appearance. Cup quality was also average. In late October stalk and fibre became more noticeable especially in the lower grades but liquors became brighter and brisker in many cases and showed signs of early cold weather character.

Early Terai teas were also somewhat below average, the leaf tending to be greyish in appearance with liquors plainish and weathery. From July onwards quality improved, the leaf being blackish in appearance, with some tip often present in the top grades. Stalk became more noticeable in late September while some leaf grades became a little rough in style.

The Cachar district suffered more than any other from the drought and many estates were unable to produce more than 50 to 60 per cent of their estimated crops, owing to numerous deaths in the tea bushes and nurseries. Very little tea of below average quality was produced in the early season. In June the weather was hot and wet and although production increased there was little improvement in quality or appearance. A fair standard was maintained during the rains but it was barely average except in the case of a few gardens which produced clear sweet liquoring teas with good leaf and a little tip in the higher grades. In late September and October many producers took advantage of the good growing weather to make up some of the earlier loss in crop with the result that more stalk became noticeable particularly in the lower grades.

**Shipment of Unsold Teas to the London Auctions.**— In a letter dated the 1st November, 1960, the Chairman of the Tea Board stated that the Government of India had decided that a ceiling of 155 million pounds (*plus* ten percent to be allotted at the discretion of the Chairman, Tea Board) should be applied to shipments to the London Auctions of unsold teas ex the 1960 crop.

As in previous years a watch over shipments to the London Auctions was maintained by the Calcutta Tea Regular

tion Committee and it is anticipated that the ceiling laid down by the Government of India will be adequate to cover the quantities which Tea Companies expect to ship to London.

**Size of Breaks.**— Early in the year the Association issued a recommendation to members that as a general rule breaks for the London auctions should consist of multiples of 6 chests, that each break should consist of not less than 24 chests, and that estates should preferably try to assemble breaks of at least 36 chests.

This recommendation was made because complaints had been received from London buyers regarding the prevalence of an unduly large number of small breaks, particularly from North India, on the ground that these small parcels at the London auctions caused duplication of tasting, unnecessary expense in sampling and a general waste of time in all departments. The buyers had also suggested that, if an increase in the average size of breaks coming forward, could not be achieved it would be necessary to alter the status of small breaks possibly by relegating them to a separate day at the London Auctions.

While it was realised that estates were frequently faced with serious practical difficulties in assembling large breaks— such as transport, storage space, excise regulations, the disadvantages from which small gardens suffer etc—it was considered important that members should do all in their power to meet buyers' wishes regarding the size of breaks. Members were accordingly asked to bring the Association's recommendation to the attention of their managers and to urge them to make every effort to comply with its provisions.

**The Tea Industry in the Third Five Year Plan.**— Last year's report recorded the appointment by Government of a Working Group to carry out studies in connection with the fixation of targets and development plans for the tea industry under the Third Five Year Plan, and this Working Group's tentative conclusion that the industry should be set a production target of 850 million lbs. per year. In February 1960 the Working Group held a further meeting to finalise its conclusions and these

were subsequently embodied in a report to the Government of India which was received at the beginning of June. On receipt of this report the Association took the opportunity of pointing out to the Ministry of Commerce and Industry that the achievement of an annual production of 850 million lbs. would be possible only if the industry received positive encouragement to expand its output and if existing impediments to a high level of production were removed. In particular, the Association pointed out, the present taxes on production, as distinct from taxes on profits, constituted a direct disincentive, while Government's inability to allocate the industry its full requirements of fertilisers made it physically difficult to increase output. Moreover, the heavy burden of the amenities for labour which the tea industry was required to provide under the terms of the Plantation Labour Act, and particularly the priority attaching to the industry's liability to construct labour housing as required under this Act, resulted in a heavy financial drain and in only too many cases deprived tea companies of the finance essential for the development and improvement of their properties. At about the same time, as recorded elsewhere in this report, the Association, as a result of the deliberations of the Export Promotion Committee for Tea, addressed Government on the subject of the incentives which should be extended to the industry if an increase and improvement in its production were to be achieved.

Despite the Association's doubts about the feasibility of a target of 850 million pounds it appeared in due course that even this figure was unacceptable to the Planning Commission, which referred the matter back to the Working Group with a request that the Group should consider the possibility of fixing the target at 900 million lbs. The Working Group accordingly held a further meeting in September and the industry's representatives at that meeting were given little option but to accept Government's desire that the target be fixed at 900 million lbs, the consumption pattern envisaged for this output being 625 million lbs. for export and 275 million lbs. for internal use. The Association placed on record however its reservations about the feasibility of this extremely high target figure and emphasised

that, even granted favourable climatic conditions, its attainment would depend on the industry receiving its full fertiliser requirements and on its being granted the incentives it had already asked for. Furthermore, the Association pointed out, an increase in production of this extent would undoubtedly prove uneconomic unless there was a corresponding expansion in the Indian tea industry's markets.

**Export Promotion.**—As was not unnatural in the light of the Indian Government's current drive to increase exports and of the tea industry's position as one of the country's principal earners of foreign exchange, the Association was required to devote much time and thought to the subject of export promotion during 1960. As in the past, the meetings of the Export Promotion Advisory Council—two of which were held during the year, in February and August—provided a valuable forum for the exposition of the Association's views on matters affecting exports and, when the second half-yearly meeting of this body was held in August, a particularly good opportunity of publicising the tea industry's views was presented by the fact that the Association was invited by the Associated Chambers to nominate a representative to attend the meeting as a substitute for that organisation's President. Mr. G. A. Whitaker of Messrs. Gillanders Arbuthnot & Co., Ltd. very kindly undertook this function and he was able to concentrate to a large extent on the tea industry's export problems in his address to the meeting. Among the points on which Mr. Whitaker laid particular emphasis were the need for an intensification of tea propaganda both at home and abroad, the desirability of improving the Indian tea producers' competitiveness in world markets by reducing the burden of taxation and particularly by reducing the Tea Export Duty, the encouragement which would be given to increased tea production and consequently to increased exports if producers received their fertilisers at subsidised prices to the same extent as the ordinary agriculturist, and the need for endeavours on Government's part to prevail upon the Governments of West European countries to reduce their taxes on tea and thus to stimulate consumption in that part of the world.

The overriding importance of the export problem also received recognition during the year through the appointment of an Export Promotion Committee for Tea, under the chairmanship of the Tea Board Chairman. This body held its first meeting towards the end of June and thereafter met at approximately monthly intervals until the end of the year. The Association was represented on the Export Promotion Committee by its Chairman, Mr. N. S. Coldwell. At its first meeting the Export Promotion Committee appointed a number of Panels to deal with different regions in the world market and Mr. Coldwell was appointed Chairman of the Panel concerned with the U.S.A., Canada, the Argentine, Chile and the West Indies. These Panels considered export targets for their respective regions and also the difficulties preventing increased exports and in due course they reported back to the main Promotion Committee, the Chairman of each of the several Panels being a member of the main Committee. The Export Promotion Committee was also called on to consider arrangements for holding a Tea Convention in Calcutta, the idea being that a Convention of this kind—extending over about a week or 10 days—would bring together members of the trade from all over the world and would enable them to discuss their mutual problems and improve their business relations, while at the same time permitting visitors from overseas to see and learn something of the tea industry and trade in India. It was originally the Government of India's intention that the Convention should be held in Calcutta in October, 1960 but, owing to lack of sufficient notice, this proposal had to be postponed and it is now planned to hold the Convention at about the beginning of November, 1961. The Export Promotion Committee appointed a Working Group to consider arrangements for the Convention and the Association is represented on this Group by its Deputy Chairman, Mr. J. L. Llewellyn.

Among the points briefly mentioned at meetings of the Export Promotion Advisory Council was the desirability of a reduction in the duties and taxes on tea imposed by West European Governments and, at the instance of the Association, the Associated Chambers of Commerce took this matter up with the Government of India in June. The Associated

Chambers pointed out that sumptuary taxes on tea were extremely heavy in Western Europe, in some instances amounting to about 95% *ad valorem*, and constituted a serious impediment to increased consumption. The Western European countries, on the other hand, were hopeful of exporting increased quantities of manufactured and industrial goods to India and it was only reasonable that they should make it possible for adequate quantities of Indian produce to be imported and consumed to enable such purchases to be financed. Moreover, the Chambers pointed out, a report on 'Trends in International Trade' submitted by a Panel of Experts to the contracting parties to the General Agreement on Tariffs and Trade had strongly recommended that revenue duties on goods exported from underdeveloped countries should be reduced, particularly where, as in the case of tea, there was no question of their competing with an internal product of the country which imposed the duty. At the time of writing the position of West European taxes on tea remains unchanged but it is hoped that, as a result of the representations which have been made, the Government of India, in the course of any future international negotiations which may take place, will act more vigorously in trying to induce West European Governments to reduce this type of taxation.

**Tea Propaganda in the U.K.—** In last year's report it was recorded that in response to the industry's demand for more effective propaganda to be carried out in the United Kingdom on behalf of Indian tea, a market survey had been arranged by the Government of India. During the year further satisfactory progress was made with the appointment of Mr. B. R. Vohra as the Tea Board's adviser in London. Mr. Vohra is at present in consultation with the various interests concerned in the U.K., with a view to preparing a scheme to form the basis of the Board's propaganda activities in that country. For this purpose a preliminary allocation of £100,000 has been recommended by the Export Promotion Committee of the Tea Board.

**Incentives for the Tea Industry.—**As a result of recommendations made by a Working Group which examined the subject last year, the Government of India in their draft outline of the

Third Five Year Plan have allotted the tea industry a production target of 850 million lbs. per year by the end of the Plan. Since a production target of this nature is naturally liable to be affected by a multitude of complicated factors, the Association emphasised to Government that it would prove capable of achievement only if the industry were given adequate practical incentives to increase its present output—a consideration, indeed, which affects not only the achievement of the Plan target but the continued economic health of the industry and its contribution to the export drive. The question of incentives was discussed on various occasions with Government Ministers and officials and in June—partly as the outcome of these discussions and partly because the Export Promotion Committee for Tea had invited suggestions from the producer Associations on means of attaining increased export targets—the Association submitted to the Government of India a memorandum detailing the main incentives which could be given to the industry to facilitate an increase and improvement in its production. The proposals which the Association advocated were as follows:—

- (1) The tea industry should receive adequate supplies of fertilisers, the requirements of North East India being presently assessed at 70,000 tons of ammonium sulphate and being likely to increase to 100,000 tons. These fertilisers should be supplied at reasonable prices and, in particular, fertilisers for tea should be subsidised at the same rate as for other agricultural purposes.
- (2) There should be an intensified overseas propaganda campaign on behalf of tea and at the same time, since a thriving internal market was necessary to maintain the industry's stability, there should be an active promotion campaign at home.
- (3) As direct inducements to increased output, tea producers should be paid a subsidy for the replacement and extension of planted areas and, in view of the time required for a newly planted tea bush to reach maturity, they should be allowed to delay the uprooting

of replaced areas for a period of 8 years. To provide additional finance for the rehabilitation and expansion of the planted area, estates should also be allowed to treat expenditure on labour housing as a revenue charge or, alternatively, should be granted a 100% development rebate on such expenditure.

- (4) As a further means of making finance available for the rehabilitation and development of estates, the industry's liability under the Plantation Labour Act to construct houses each year for 8% of its permanent workers should be reduced to 4%. Simultaneously, the Government of India's subsidised industrial housing scheme should be extended to cover the tea industry and houses constructed in accordance with the Plantation Labour Rules of the Governments of West Bengal and Assam should qualify for assistance under this scheme.
- (5) Direct taxation, and notably the Export Duty on Tea, should be reduced and taxes on the movement of tea—the Assam Carriage Tax and the West Bengal Entry Tax—should be abolished.
- (6) The Government of India should be more vigorous in trying to prevail on West European Governments to reduce the heavy duties and taxes they currently levied on tea.
- (7) In view of the restricted areas in the country climatically suited to the cultivation of tea and the limited availability within these areas of land suitable for new planting, the State Governments should be more moderate in their resort to the requisitioning of land within tea estate grants.
- (8) Railway and river freight rates on tea destined for export should be reduced.



Government have accepted the proposal that replaced areas need not be uprooted until 8 years after the time of replacement; others of the suggestions made by the Association—such as the proposed reduction in the housing liability and the treatment of housing expenditure as a charge on revenue—are under consideration; there has been some reduction in the frequency with which land is requisitioned by the State Governments; and other matters, such as the fertiliser allocation and the need for a reduction in taxation, are the subject of practically continuous representation and discussion by the Association

**Consolidation of Taxes on Tea.**—One of the tea industry's major grievances for a number of years has been the multiplicity of the taxes imposed on tea and the tendency for the tax burden to be steadily enhanced by the imposition of ill-considered taxes by the State Governments. The Association has, therefore, steadily advocated some degree of consolidation of the existing taxes, partly in order to achieve administrative simplicity and partly to limit the impositions of the State Governments by having taxation centralised in return for the cession of part of the revenues from the Centre to the tea-growing States. During 1960 there were indications from time to time that Government were actively considering a substantial measure of consolidation and, while Government were naturally not in a position to publicise their intentions, there was reason to think that official opinion tended to favour a consolidated tax on an *ad valorem* basis. In view of the known defects of any system whereby tea would be taxed on an *ad valorem* basis, the Association took occasion whenever the opportunity arose to impress upon Government the disadvantages of such a system. An *ad valorem* tax, it pointed out, completely excluded the factor of production costs and consequently of profitability and such a tax would almost certainly prove fatal to a struggling area such as Darjeeling where, although average sale prices tended to be high, production costs were very much above the average. Moreover, high prices were a reflection of high quality but in practice tea producers could normally achieve high quality only by increased expenditure on cultivation; an *ad valorem* tax, taking account only of sale prices and not of production costs,

would therefore be a strong disincentive to increased expenditure on the improvement of quality. Finally, since in practice teas were sold at so many points between the producer and the ultimate consumer, and since substantial quantities were exported unsold for auction overseas, an *ad valorem* system of taxation would prove administratively difficult and would be liable to evasion and malpractices.

It seems probable that Government's consideration of the tea industry's tax problem was retarded by the pendency of the Association's appeal against the Assam Carriage Tax before the Supreme Court (an appeal which, as reported elsewhere, has proved successful) and in point of fact the tax structure was not altered during 1960. There is no doubt however that the question of tax consolidation—and, from the industry's point of view, the even more important question of a reduction in the total tax burden—will continue to receive attention.

#### **Finance for the Purchase of Machinery and Equipment.—**

It has long been the Association's contention that the tea industry's heavy tax burden and its statutory liabilities towards labour leave large sections of the industry without adequate finance for rehabilitation and development purposes, and during recent years much thought has therefore been given to the problem of providing the industry with financial accommodation. As a partial contribution to the solution of this problem, the Tea Board announced in April, 1960 a scheme which would enable tea companies to acquire machinery and equipment on a hire-purchase basis. For this purpose the Government of India had set aside a sum of Rs. 2 crores and the scheme envisaged the grant of assistance of upto Rs. 2 lakhs for individual companies. Under the scheme the tea company would be required to deposit 10% of the cost of new machinery and the balance would be supplied by the Tea Board, this balance being recoverable from the company in not more than seven annual instalments and being subject to the payment of interest at 6% per annum. Until such time as the finance provided by the Board had been fully repaid, all equipment purchased under the scheme would remain the property of the Board. A detailed procedure for the submission of applications

for assistance under this scheme and for their scrutiny by a Panel of Engineers was announced by the Board and it was then left to individual companies to take advantage of the scheme if they wished. At the time of writing it is still too early to judge whether or not the scheme has in fact been a success. The major impediment of course lies in the fact that the marginal companies which might be expected to derive most benefit from the scheme are precisely those who are already heavily indebted and are therefore severely limited in their ability to incur further indebtedness.

**Economic Position of Estates in Cachar.**— Last year's report dealt at some length with the efforts which were made by the Association to obtain assistance for that seriously depressed section of the industry which is located in Cachar, and of the concessions which were forthcoming from Government in the way of subsidies on freight and fertilisers and the suspension of collections of the Assam Carriage Tax on Cachar teas. During 1960 every endeavour was made to secure a continuation of these concessions and an extension of their scope so as to increase their usefulness.

As regards the freight subsidy, it will be recalled that the Association was disappointed at the relatively low subsidy payable on Cachar teas consigned by river as compared with those sent by rail and with the fact that only the river rate of subsidy was payable on teas sent by the rail-cum-river route. As a result of representations the Tea Board announced in February that it had been decided that, in respect of the rail-cum-river route, subsidy at the railway rate would be payable in proportion to that part of the journey which was conducted by rail and at the river rate for that part conducted by river. Repeated representations by the Association and the Joint Steamer Companies, however, failed to obtain any increase in the rate of river subsidy and this remained the same throughout the year. The Association also objected to the fact that the fertiliser subsidy was payable only to estates of 300 acres or less, whereas, it pointed out, the depression in Cachar affected all estates in that district irrespective of their size, and in any case there were comparatively few estates of less than 300 acres. At

one stage the Tea Board recommended to the Government of India that the subsidy should apply to estates up to 500 acres in area (an improvement, though one which still did not entirely meet the Association's views); but even this recommendation did not prove acceptable to Government and the subsidy continued to be restricted to estates of 300 acres and under. The freight and fertiliser subsidies were granted in the first instance for a period of one year and expired in October, 1960. Representations were made for their continuance and it is understood that the matter is still receiving Government's consideration, although at the time of writing no decision has yet been announced.

The Government of Assam, by successive notifications, continued well into 1960 to waive the collection of Assam Carriage Tax on Cachar teas. As recorded elsewhere in this report, the Supreme Court eventually held that the Assam Carriage Tax was in any case *ultra vires* and, along with the remainder of North Eastern India, Cachar was thus relieved of this burden.

**Economic Position of Estates in Darjeeling.**—Throughout 1960 the Darjeeling tea industry continued to experience the utmost difficulty in maintaining its economic viability in the face of high costs of production and, in the light of the losses which a large number of Darjeeling estates had suffered during the previous season (as indeed had been the case for several seasons), an endeavour was made early in the year to prevail on Government to take a more realistic view of the Darjeeling position and to grant suitable concessions. In May representatives of the Association and of the Darjeeling Branch discussed the subject with the Chairman of the Tea Board and, after they had enlarged on Darjeeling's high costs of production and the consequently small or non-existent margin between costs and income, the Chairman of the Board suggested that the best means of enlisting Government's sympathy and assistance would be by conducting an impartial investigation of Darjeeling costs in order to substantiate the industry's precarious position. With that object a questionnaire relating to Darjeeling costs

was drawn up by the Tea Board and was distributed to 15 companies which were selected as constituting a representative cross-section of the Darjeeling industry. The preparation and submission of replies unfortunately took considerable time, but at the time of writing replies are in the hands of the Tea Board and further developments as to the conclusions to be drawn from this survey and the action which Government might consider expedient in the light of those conclusions are now awaited.

**Ninth Session of the Industrial Committee on Plantations.**—During the year three meetings of the Ninth Session of the Industrial Committee on Plantations were held and the items discussed are dealt with elsewhere in this report under their appropriate headings.

The second meeting was held on the 27th April at which business was confined to consideration of the composition of the Central Wage Board for the Plantation Industries. The Association was represented at this meeting by the Chairman, Mr. N. S. Coldwell, and Mr. R. R. L. Pennell.

The third meeting was held on the 3rd August and considered proposed amendments to the Tea Districts Emigrant Labour Act, 1932. The Association was represented at this meeting by the Vice-Chairman, Sir Richard Duckworth Bt., Mr. R. R. L. Pennell and Mr. J. S. Hardman, and Mr. B. St. J. Conway of the Tea Districts Labour Association.

The fourth meeting was held on the 9th November at which the constitution of the Wage Board for the Plantation Industry was again considered. The Association was represented by the Chairman, Mr. N. S. Coldwell, the Deputy Chairman, Mr. J. L. Llewellyn and Mr. P. B. Nicholls.

The decisions taken at these meetings are referred to elsewhere in this report.

**Standing Labour Committee for Tea Plantations in Assam.**—This Committee had three meetings in Shillong during 1960. The first, held on 23rd May, was an emergency session convened to consider the action taken by a number of Assam estates

which had laid off labour because, owing to the very serious drought which affected Assam during the early part of the season, there was no work for them. In point of fact the great majority of the estates which had resorted to a lay-off were not members of the Association, only four—three in the Assam Valley and one in Cachar—being members, but labour nevertheless reacted strongly to the action which had been taken. The lay-off, labour claimed, was illegal (a claim which was not difficult to refute and which was not in fact seriously pressed), it had been resorted to without consultation with the workers' organisations, and if a lay-off were indeed unavoidable it was incumbent on the employers to continue to pay the minimum wage during the period of the lay-off. Against this the Association's representatives contended that its affected estates had consulted responsible labour leaders and that there was no question of the minimum wage being paid for the lay-off, 50% of wages being all that was prescribed by the Industrial Disputes Act. Not surprisingly, it did not prove possible to reconcile the opposing views of the two parties at the meeting of the Standing Labour Committee and it was merely left that, if labour were aggrieved by the action taken by management, it was open to them to seek to have their grievances adjudicated upon by an Industrial Court.

This session of the Standing Labour Committee also considered fairly briefly a number of other subjects apart from the lay-off, but the Association's representatives were unable to engage in any very full discussion of these matters because they had received no notice that they were to be raised. Among the topics touched upon were the question of the operation of the Assam Panchayat Act within tea estates so as to enable tea labour to enjoy the benefits of local self-Government; a claim by labour for an increase in the allowance payable under the Maternity Benefit Act; objections by labour to the industry's practice of deducting labour bonus from profits for the purpose of calculating staff bonus; the standard of housing construction on tea estates and Government's intention—much to the disappointment and dissatisfaction of management—of prescribing improved housing specifications, and Government's desire that

there should be a more extensive introduction of workers' canteens on estates.

The next meeting of the Standing Labour Committee was held on 12th November with the object mainly of discussing further those items which had only been touched upon at the May meeting. In the event however only two subjects—maternity benefits and staff salaries were discussed in any detail, and on neither of these was any wide measure of agreement reached. As regards maternity benefits, labour claimed that the qualifying period of service should be entirely abolished, to which the employers replied that qualifying service was a recognised and accepted feature of any scheme of medical benefits and was provided for in the Employees' State Insurance Scheme. Labour also objected to the payment of maternity benefits being dependent upon the acceptance of medical attention by the woman concerned, against which employers contended that, apart from the intrinsic desirability of ensuring that patients received adequate medical attention, it was futile for managements to be obliged to provide expensive medical facilities if labour were not to be encouraged to make use of them. Labour also demanded that the rate of maternity benefits should be increased and should not be less than the statutory minimum wage. The employers rejected the labour contention that the minimum wage had been fixed at a subsistence level and argued that it was recognised practice—confirmed, again, by the terms of the Employees' State Insurance Scheme—that medical benefits should not amount to as much as ordinary wages. Although the employers would have been willing to negotiate a reasonable increase in the rate of maternity benefit, however, this was not acceptable to labour and no agreement was reached. On the subject of staff salaries the labour representatives claimed that there was no justification for the industry's practice of paying considerably lower salaries in Assam than in the Dooars, while the employers argued that, in view of the agreement to maintain the status quo in wages and salaries until such time as the proposed Wage Board had examined the subject, the present was not a suitable time to demand a revision.

The next meeting of the Standing Labour Committee was held on 3rd December and was largely a continuation of the discussions which had taken place the previous month. Again the subject of staff salaries was raised and the employers contended that the difference between the Dooars and Assam was a long-standing arrangement based on practical differences in the circumstances of the two areas, that it was not a practical proposition to demand uniformity of pay as between different States, and that in any case the pending appointment of a Wage Board for the tea industry precluded alterations in salary scales at the present time. The labour representatives also raised again their complaint about the deduction of labour bonus from profits for the purpose of calculating staff bonus, and the employers argued that, unless this was done, staff bonus would be calculated on a completely unrealistic assessment of profits. No agreement was reached on this subject and it was left that the Labour Department of the Government of Assam would examine the matter further. The meeting also examined in some detail the scheme which had been prepared by the Association for the internal recruitment of labour in Assam. It was agreed that in the operation of this scheme the first priority would attach to the transfer of surplus labour within the Assam Valley, that thereafter recruitment from Cachar might be considered, and that then managements might consider employing ex-garden labour living outside the estate. In the meantime, it was agreed that there should be no outside recruitment until reasonable efforts had been made to obtain labour requirements within the State.

On each occasion when the Standing Labour Committee met the employers' representatives were faced with a number of subjects which had been placed on the agenda at the last minute and which they had therefore had no opportunity of considering in detail or discussing among themselves. The Association protested strongly against this practice and insisted upon the need for adequate notice of the subjects to be discussed, but nevertheless the practice was in evidence at all three meetings held during 1960.



**Workers' Participation in Management.**— The operation of Joint Councils of Management on Panitola and Sonabheel Tea Estates was described in last year's report, and these two Councils continued to function without major difficulty during 1960. As in the past, their discussions were concerned very largely with welfare measures, with the upkeep of housing, roads etc. and with arrangements which would be to the convenience and comfort of the workers. They also afforded the managements some opportunity of explaining to the workers' representatives the economic circumstances of the industry and the cultivation and development programmes of their respective estates.

An interesting development occurred in March, when the Government of India convened a Seminar in New Delhi to review the progress made in the operation of Joint Councils of Management. The Seminar—which was conducted on a tripartite basis and included in its membership representatives of most of the Joint Councils so far constituted—was attended, on behalf of management, by Mr. J. M. Lampitt of Sonabheel Tea Estate and Mr. A. S. Ghosh of Panitola. The participants recounted their experience in the working of the Councils, described the difficulties they had come across and sought to elucidate the principles according to which the Councils should be conducted. Although there was a general feeling that the introduction of Joint Councils had helped to improve industrial relations, it was clear that they had not as yet progressed beyond the experimental stage and there was unanimous agreement that there should be no attempt to reinforce their operation with statutory sanctions.

Later in the year the Government of India constituted a Committee on Labour Management Co-operation with the function of offering advice and guidance on all matters affecting Joint Councils of Management. The Employers' Federation of India is represented on this Committee by Mr. N. Stenhouse of Messrs. Andrew Yule & Co., Ltd.

**Code For Discipline in Industry.**— A brief account was given in last year's report of the origin of the Code for Discipline in Industry and of the various stages leading up to its

acceptance at the 9th Session of the Industrial Committee on Plantations held on 23rd and 24th October, 1959.

In April, 1960 the Association issued a circular to all members asking them to implement the Code and to report to the Association, through their respective branches, full details of any breach of the Code committed by the unions. A number of reports were subsequently submitted and where expedient forwarded by the Association to the State Governments concerned. Follow-up measures were taken in the more serious cases.

Various issues arose during the year concerning the interpretation and implementation of certain clauses of the Code. In view of the management's obligation to display the Code in conspicuous places in the local language, the Association distributed a large number of printed posters giving the text of the Code in Assamese, Bengali, English and Hindi. There was considerable discussion during the year concerning the interpretation to be placed on the expressions "industrial matter", "industry" and "local area", and by an agreement with the major unions in West Bengal and Assam, the Association's grievance procedure was generally recognised as being suitable for adoption under the Code.

Recognition of unions in accordance with the criteria annexed to the Code presented a number of problems. Recognition of unions at the area level was handled by the Association and its branches. In Assam, the Assam Chah Karmachari Sangha was recognised as the sole union for clerical staff on member estates in the Assam Valley, and the Assam Chah Mazdoor Sangha for labour. In the Surma Valley the Indian Tea Employees Union was recognised as representing the clerical staff and the Cachar Chah Sramik Union for labour. In the Dooars, the Tea Garden Indian Employees Association was recognised as the sole union at area level for clerical staff. At the close of the year a comprehensive circular was issued to all members advising them which unions had been recognized at area level and the procedure for recognising unions at garden level.

**Indian Trade Unions (Amendment) Act 1960.**— The Indian Trade Unions Act of 1926 was amended by the Indian Trade Unions (Amendment) Act 1960 which received the assent of the President on the 21st September, 1960 and was published in the Gazette of India Extraordinary of the 22nd September 1960.

The amendments, which were designed to give effect to the recommendations made at the 16th and 17th Sessions of the Indian Labour Conference for the development and proper management of Trade Unions, provided for the following:—

- (1) Rules of a trade union should provide for the payment of a minimum membership fee of 25 nP. per month by each member.
- (2) Additional and Deputy Registrars of Trade Unions might be appointed to dispose expeditiously of the applications for registration of unions.
- (3) The Registrar of Trade Unions has been empowered to inspect the account books, membership registers and other documents of trade unions in order to examine returns and statements submitted by them.

**Clerical and Medical Staff in Assam.**— (a) *Pay Scales.*—Since the scales of pay for clerical staff in the Dooars were revised in 1959, the Assam Cha Karmachari Sangha has continued to press a demand for the revision of the clerical staff pay scales in Assam. The subject was raised by the Union in correspondence with the Association and also at meetings of the Assam Standing Labour Committee during the year. The Union's case was that the increases granted in Dooars had given rise to very considerable disparities and that some clerks in the Dooars were receiving as much as Rs. 60 to Rs. 70 more than their counterparts in Assam.

The Association undertook to examine the Union's demand; but pointed out that no adjustments in the salary scales could be conceded until the Wage Board appointed by the Government of India had considered the case and submitted its report.

(b) *Travelling Allowances* —Women employees, such as nurses and midwives were, for the purposes of travelling

allowance, treated as single whether they were married or not and were paid the allowance at the rate fixed for single employees. The Industrial Tribunal in Assam, while considering a dispute involving the question of whether a married female employee was entitled to travelling allowance for her husband ruled that such an employee was not entitled to double travelling allowance unless her husband was dependent on her. The Tribunal also suggested that the Association should specifically provide for travelling allowance for female members of the staff and clearly indicate the circumstances in which double travelling allowance would be payable.

The Association therefore, in Circular Letter No. 50 dated the 17th March, 1960, issued the following instructions on this subject:—"A single woman employee shall be entitled to the same allowance as a single man. A married woman employee shall be entitled only to the travelling allowance of a single man unless her husband is unfit for work, dependent upon her, and travels with her, in which case the woman employee will be entitled to three return fares, subject to a maximum of Rs. 200/- as for man and wife."

(c) *Letters of appointment.*—In 1949 the Association had drawn up specimen letters of appointment for clerical staff which had been issued to members for their guidance. During the year the Assam Chah Karmachari Sangha complained that some members were using modified versions of these letters in respect of new entrants and that such action on their part constituted a violation of the agreement with the Union which had been consulted when the forms had first been framed.

The Association were unable to accept the contention that there had been an agreement that the letters of appointment should be used by all members without amendment. The Union had been consulted as a matter of courtesy when the letters had been framed but the letters had been circulated to members as specimens and for their guidance. No obligation involved on them to use the letters of appointment as they stood and their failure to do so could not be construed as a contravention of an Association recommendation.

(d) *Service records*.—At the thirteenth sitting of the Assam Standing Labour Committee held in September, 1958, it had been agreed that employees' service records should be maintained and that the opinion of the Management on the work of each employee should be entered in the character roll every year. This decision had been brought to the attention of members and those, who did not already maintain service cards, agreed that they would do so.

During the year the Assam Cha Karmachari Sangha complained that tea estates were not implementing the agreement relating to service records in that different types of service cards had been adopted by different estates, instead of a standardised form as had been allegedly agreed.

The Association was unable to accept the contention that it had been agreed that a standardised service record card should be introduced and the Union were informed that an examination of the types of records maintained by members revealed that much more detailed and complete records were being kept than they appeared to be asking for. Members were not ready to give up their own service record cards in order to achieve uniformity of no particular value but consideration would be given to the inclusion of any items in the cards which the Union might wish to suggest.

(e) *Housing*.—In last year's report it was recorded that the Chief Inspector of Plantations, Assam had asked for the Association's views on certain specifications which Government proposed to prescribe in respect of staff houses and that the Association had asked the Shillong Adviser to draw Government's attention to certain objectionable features of the specifications.

This action was taken by the Shillong Adviser; but the Chief Inspector of Plantations replied to the effect that the recommendations regarding the minimum standards and specifications of staff quarters were to be treated as final as no further alteration was contemplated. To the best of his information there was nothing in the specifications which precluded the use

of standard sizes of building materials. The number of rooms could not be reduced further.

The Association was unable to accept this ruling, and the Chief Inspector was asked to refer the specifications to the Housing Board for approval, as was required under Rule 59 of the Assam Plantations Labour Rules. The specifications were considered at the meeting of the Housing Board held on the 10th November, 1960, when it was agreed that detailed specifications for staff housing should not be laid down and that internal planning should be left flexible. It was also agreed that there should be two types of houses, one for senior staff with a plinth area of 1,000 square feet (Type A), and another for junior staff with a plinth area of 800 square feet (Type B).

Gardens of between 150 to 300 acres would be required only to build Type B houses, while in the case of estates of less than 150 acres there would be no compulsion to adopt the standards.

Another satisfactory outcome of this meeting was the agreement reached that

- (i) the 8% formula should include staff houses,
- (ii) the housing returns should show separately the houses constructed for staff and labour
- (iii) in view of the fact that staff housing was of a high standard the phased programme should take into account the existing position and for that reason the priority between staff and labour should be determined by Circle Housing Committees.

**Clerical Staff Bonus.**— The various agreements governing the payment of bonus to clerical staff covered only the years up to 1958, and payment in respect of this year was made early in 1960. Owing to the pendency of discussions regarding a new agreement covering labour bonus it was not possible to take any decision as to how bonus for clerical staff should be paid after 1958 and the subject is accordingly still under consi-

deration. During 1960 the Assam Branch of the INTUC objected strongly to the employers' practice of deducting labour bonus from profits for the purpose of calculating staff bonus; the complaint, as reported elsewhere, was discussed by the Standing Labour Committee for Tea Plantations in Assam and the Association's representatives maintained that the practice was fully in order and indeed was the only means of arriving at a realistic assessment of profits.

**Wage Board for Tea Plantations.**—It was recorded in last year's report that, at the Ninth Session of the Industrial Committee on Plantations held in Calcutta during October, 1959, it was agreed that a Wage Board should be appointed for the plantation industry. The Board was to function in two separate sections for the North and the South and was to consist of a Chairman appointed by Government and two independent members (all of whom would serve on both sections of the Board) together with three representatives each nominated by employers and labour, the North and South making separate nominations for their respective sections of the Board.

In April, 1960 a further meeting of the Industrial Committee was called to reconsider the composition of the Board and Government suggested that, in order to make the Board compact and thus to facilitate the performance of its duties, there should be a single Board operating on an all-India basis and the representation of employers and labour should be reduced to two each. In view of the special circumstances of the tea industry, this proposal was not acceptable to either side, but it was eventually agreed that there should be three separate Boards for the tea, coffee and rubber industries and that, in the case of tea, the Board would operate on an all-India basis but would include three representatives each of employers and labour (two representing the North and one the South).

A substantial lapse of time then occurred without action being taken to initiate the Board's proceedings. Eventually, in November, Government announced that they had encountered difficulties in connection with the composition of the

Board and put forward an entirely new proposal that the idea of a Wage Board should be abandoned and that instead Government should appoint a National Tribunal for the entire plantation industry. A further meeting of the Industrial Committee was convened to consider this proposal. The Association was both surprised and disappointed by the new proposal, for the appointment of a Wage Board had been agreed to by all parties and its replacement by a National Tribunal involved a complete reversal of the generally accepted policy of encouraging voluntary settlements between labour and management by negotiations between the two sides without statutory sanctions being involved. Moreover, it seemed highly improbable that the single judge, who would in all likelihood constitute the National Tribunal, would be able to deal adequately with the entire plantation industry, there would inevitably be long delays before the Tribunal could complete its proceedings, and thereafter there might even be further delays since the Award would be subject to appeal before the Courts. When the Industrial Committee met again, however, it transpired that all parties, including Government, still strongly favoured a Wage Board rather than a Tribunal, and eventually a compromise was reached whereby, as before, there would be three Boards for the tea, coffee and rubber industries but, in the case of tea, employers and labour would this time have only two representatives each. In the event of a member of the Board being unable to attend however it would be open to him to nominate an alternative representative.

Following the meeting of the Industrial Committee, the employers' organisations, at the request of Government, agreed to nominate Mr. L. T. Carmichael as their representative from the North and Mr. J. B. Soutar from the South. The composition and terms of reference of the Board were gazetted by Government on 5th December, 1960 and the relevant section of the resolution reads as follows:—

The composition of the Board will be as follows:—

*Chairman :*

Shri L. P. Dave.



*Independent Members :*

- (1) T. Manan, M.P.
- (2) Dr. R. Balakrishna.

*Members Representing Employers :*

- (1) Shri L. T. Carmichael.
- (2) Shri J. B. Soutar.

*Members Representing Workers :*

- (1) Shri G. Ramanujan.
- (2) Shri B. Bhagwati, M.P.

The following will be the terms of reference of the Board:—

“To work out a wage structure based on the principles of fair wages as set forth in the report of the Committee on Fair Wages as far as practicable.”

In evolving a wage structure, the board should, in addition to the considerations relating to fair wages, also take into account:—

- (i) the needs of the industry in a developing economy.
- (ii) the system of payment by results.
- (iii) the special characteristic of the industry in various regions and areas;
- (iv) categories of workers to be covered (This may be according to the definition of workmen in the Industrial Disputes Act);
- (v) working hours in the industry.

*Explanation.*

Whenever applying the system of payment by results the Board shall keep in view the need for fixing a minimum (fall-back) wage and also to safeguard against over-work and undue speed.”

It is with deep regret that the Association has to record that, shortly after the constitution of the Board, Mr. L. T. Carmichael was prevented by illness from participating in its initial deliberations. In his place Mr. B. C. Ghose of the Indian

Tea Planters Association has been nominated as the alternative employers' representative.

**Minimum Wages.**— (1) *Dooars and Terai*.—Last year's report referred to the increase in the minimum wages in the Dooars and Terai. The Association immediately considered these increases and was of the opinion that the notification notifying the increases was defective in two respects. In the first place, it sought to make the new wage rates retrospectively effective from the 1st June, 1959, a procedure which the Association was advised was illegal. Secondly, the notification also granted an increase in the salaries of clerical, medical and subordinate staff, although the wages of these personnel had never been fixed by notification in the past. Since the Association was satisfied that in both these respects Government was acting illegally, it advised its members that they should give effect to the new wage rates for daily-paid labour as from 31st August, 1959. In the meantime it continued negotiations with the Unions for revised pay scales of clerical staff in the Dooars. The Association also submitted an application to the Calcutta High Court under the terms of Article 226 of the Constitution and, when the application was heard on the 17th September, 1959, it succeeded in obtaining an interim stay order restraining Government from giving effect to the two impugned sections of the notification.

Arguments for both sides were heard in May, after which the Court passed orders directing the Association to file statements showing the existing scales of wages for clerks and subordinate staff appertaining to members' gardens.

The information required was duly filed and after a further hearing the High Court made its rule absolute, holding paras 2 and 3 and the latter half of para 5 of Government's notification of 20th August, 1959 *ultra vires*. Thus the High Court upheld the Association's contentions:

- (a) that it is illegal to notify wage scales under the Minimum Wages Act only minimum rates may be notified;
- (b) that it is illegal to notify minimum rates of wages with retrospective effect.

(2) *Assam Valley : Plucking Rates.*—Last year's report described the general increase of 20 nP. per day in the minimum wage for adults in the Assam Valley (with half this increase for minors) which was introduced with effect from 1st December, 1959, following the increased minimum wages which had earlier been ordered by the Government of West Bengal. It followed from this increase that, from the commencement of the 1960 tea season, the Association was required to introduce new plucking rates in the Assam Valley which would give plucking labour on the average an increase of a similar amount. The revision of plucking rates was the subject of close consultation between the Association and its Assam Branch and, once the Association's policy had been formulated, was discussed with representatives of the Assam Branch of the I.N.T.U.C. at meetings held in Dikom on 8th and 20th April. The outcome of these negotiations was that the basic plucking rate for the entire Assam Valley was fixed at 8 nP. per kilogramme plus an additive of 50 nP. per day for Zones 1 and 2, 35 nP. for Zone 3 (excluding Nowgong) and 30 nP. for Nowgong. Subsequently it was agreed that, for minors, the basic rate would be the same but the additive would be 25 nP. for Zones 1 and 2, 18 nP. for Zone 3 and 15 nP. for Nowgong. Reports at the end of the year have confirmed that the new plucking rates worked satisfactorily and that they met the Association's object of incorporating some element of incentive in the wage structure.

(3) *Cachar.*—Last year's report referred to the demands made by Cachar Unions that that District should receive wage increases similar to those granted in West Bengal and the Assam Valley. Employers maintained that the precarious position of the tea industry in Cachar made it clear that any increase in the wage bill would drive many concerns out of existence. Eventually, the Assam Government asked both employers and labour to submit their cases and it was ultimately decided by Government that the position in Cachar should be studied by a separate Minimum Wage Advisory Committee. A meeting of that Committee was held in Shillong in June, when employers expressed regret that due to the economic position of gardens in Cachar nothing could be done to meet labour's demands. The meeting

was an unsatisfactory one; and Government appeared to expect employers to increase wages in this area—22 nP. was being demanded irrespective of the financial position of the gardens concerned. Unfortunately, a deadlock was reached and the Advisory Committee's Secretary was ordered to prepare a report which was to be circulated to members of the Committee for approval.

This report, when received recommended an increase of 16 nP in adult wages and 8 nP. for minors. Immediately discussions were held by the Association with representatives of the Bharatiya Cha Parishad and the Surma Valley Indian Tea Planters' Association, and comments on the draft report were drawn up and submitted to the Advisory Committee. These comments, which were in the form of a note, were to be treated either as a note of dissent, if the report of the Secretary was in its final form, or as comments if that was not so. The note drew attention to the depressed state of Cachar gardens and also made reference to the very severe drought which had been experienced during the year. Finally the note, which was signed by the employers' representatives on the Committee, stated that there was no justification for any rise in the minimum wage in Cachar, and it was considered that a rise such as that contemplated in the draft report, would spell ruin for the industry in Cachar and would result in a widespread increase in unemployment. No alteration in the wage structure was warranted until the Wage Board, which was being set up by the Government of India, had had an opportunity to sit and examine the matter.

The Association also made detailed reference to the Government of India, Ministry of Labour and Employment, and representatives of the Industry discussed the whole matter on number of occasions with officials of the Government of Assam.

At the time of writing no further meeting of the Advisory Committee has taken place, but one is expected in the near future.

**Maternity Benefits.**— (a) *West Bengal*.—In August the Government of West Bengal issued a notification containing

certain draft amendments which they proposed to make to the West Bengal Maternity Benefit (Tea Estates) Rules, 1951. The amendments, which involved Rule 11 and Form D, provided for minor amendments to the Form and for its submission to the Chief Inspector of Factories by the 31st January of each year instead of by the 15th January as at present required. A consequential amendment to Form E was also proposed. The amendments were finalised in a notification dated the 21st Februray, 1961.

(b) *Assam*.—At the emergent meeting of the Standing Labour Committee held on the 23rd May, 1960, the Government of Assam put forward proposals for the amendment of the Assam Maternity Benefits Act the most important relating to Section 4(2)(a) which lays down the rate of maternity benefits. Under this section maternity benefits are payable at the rate of -/11/6 per day plus the value of "food concessions" which has been estimated at Rs. 8/6/6 per week in Zones 1 and 2 and Rs. 8/0/6 in Zone 3. Government's proposal, which was supported by the labour, was that maternity benefits should be paid at the minimum wage rate which would involve payment at the rate of Rs. 10/56 per week in Zones 1 and 2 and Rs. 10/20 per week in the rest of the Assam Valley. This proposal was strongly opposed by the Association both at the above-mentioned meeting and at a subsequent meeting held on the 12th November on the grounds that the rate of maternity benefits in Assam was already higher than that in West Bengal and that any increase would be inconsistent with Government's policy in the matter of Family Planning. Furthermore, if maternity benefits were raised any increase might unduly discourage the employment of women. The matter is being further examined by Government but the situation is likely to be considerably altered by the introduction in the Lok Sabha of the Maternity Benefit Bill, 1960.

(c) *The Maternity Benefit Bill, 1960*.—The Maternity Benefit Bill, 1960 was introduced in the Lok Sabha on the 6th December, 1960 and contains the following "Statement of objects and reasons":—

"Maternity protection is at present provided under the different State Acts on the subject and three Central Acts.

viz., the Mines Maternity Benefit Act, 1941, the Employees' State Insurance Act, 1948 and the Plantations Labour Act, 1951. There is considerable diversity in their provisions relating to qualifying conditions, period and rate of benefit, etc. The proposed legislation seeks to reduce as far as possible the existing disparities in this respect. It will apply to all establishments, including mines, factories and plantations, except those to which the Employees' State Insurance Act, 1958 applies and its provisions approximate as nearly as possible to those of that Act."

The main clauses of the Bill deal with the following matters :—

*Clause 2.*—The proposed legislation applies, in the first instance, to all establishments being factories, mines or plantations as defined in the Factories Act, 1948, the Mines Act, 1952, and the Plantations Labour Act, 1951, respectively including such establishments belonging to Government. The State Governments have also been empowered to apply the legislation to any other establishment or class of establishments, industrial commercial or agricultural. However, it will not apply to any factory or establishment to which the Employees' State Insurance Act, 1948 applies.

*Clause 4.*—This clause prohibits the employment of, and work by, a woman during the six weeks immediately following the day of her delivery or her mis-carriage. It also provides that a woman, on her request, will not be employed on arduous work during a period of one month before proceeding on maternity leave.

*Clause 5.*—This clause entitles a woman to receive maternity benefit at the rate of her average daily wage subject to a minimum of 75 naye paise per day for a maximum period of 12 weeks, including 6 weeks following the day of her delivery. The qualifying condition is employment for 240 days in the

twelve months immediately preceding the expected date of delivery, but there is no such restriction as to entitlement in the case of an immigrant woman who is pregnant when she first arrives in Assam.

*Clause 6.*—This clause deals with the procedure for claiming maternity benefit and for its payment and grant of maternity leave.

*Clause 7.*—This clause provides for payment of maternity benefit in case of the claimant's death to her nominee or legal representative.

*Clause 8.*—This clause entitles a woman to receive a medical bonus of Rs. 25 if no pre-natal, confinement and post-natal care is provided for by the employer free of charge.

*Clause 9.*—This clause provides for grant of leave with wages at the rate of maternity benefit for six weeks in the case of miscarriage.

*Clause 10.*—This clause provides for grant of additional leave with wages at the rate of maternity benefit for a maximum period of one month in case of illness arising out of a pregnancy, delivery, premature birth of child or miscarriage.

*Clause 11.*—This clause provides for grant of two nursing breaks a day in addition to the daily interval for rest to mothers for feeding infants.

*Clause 12.*—This clause prohibits dismissal of a woman during or on account of absence on maternity leave and ensures that the conditions of her service will not be varied to her disadvantage during her absence. It also provides that a woman shall not be deprived of the maternity benefit to which she may be entitled, on account of dismissal at any time during her pregnancy except in cases of dismissal for gross misconduct.

*Clauses 14 and 15.*—These clauses relate to the appointments of Inspectors and their powers and duties.

*Clause 17.*—This clause empowers the Inspector to direct payments to be made after enquiring into complaints. It also provides that the amount payable shall be recoverable as an arrear of land revenue.

*Clause 18.*—This clause provides for forfeiture of maternity benefit in respect of the period for which a woman may work in any establishment during maternity leave.

*Clauses 21 to 23.*—These clauses relate to penalties, procedure for prosecution and jurisdiction of courts to try offences under the Bill.

*Clause 26.*—This clause provides for exemption from the provisions of the Bill in certain cases.

*Clause 27.*—This clause ensures that if a woman worker is entitled to benefits which are more favourable than those provided for in the Bill, she shall continue to enjoy those benefits.

*Clauses 29 and 30.*—These clauses provide for repeal of (i) the provisions of the Plantations Labour Act, 1951, relating to maternity benefit and (ii) the Mines Maternity Benefit Act, 1941. Necessary action to repeal the State Maternity Benefit Acts will be taken by the State Governments.

While the Association supports the need for uniformity in the matter of maternity benefits it cannot view with favour the proposal that such benefits should be paid at the rate of the average daily wage as such a provision will certainly discourage the employment of women. A detailed examination of the Bill is being undertaken by the Eastern Regional Committee of the Employers Federation of India, which will in due course draw Government's attention to the undesirable features of the proposed legislation.



**Provident Fund :** (a) *West Bengal*.—The administration of the Employees Provident Scheme 1952 on tea gardens in West Bengal was comparatively smooth during the year, and minor difficulties which arose were dealt with in correspondence exchanged between the Branches and the Office of the Regional Provident Fund Commissioner and also during discussions which were held upcountry when officers from Calcutta visited the tea districts.

The Association continued, however, to press for the removal of two main defects in the Scheme as applicable to the tea industry—(i) Owing to the fact the Scheme was applied to tea garden factories and to tea plantations at different dates the Provident Fund authorities have required tea gardens to be treated as two separate units. This has led to grave administrative difficulties especially where the number of workers in the factory is lower than the number statutorily laid down as the qualification for the establishment's admission to the Scheme. In such circumstances workers in the factory are deprived of membership of the Scheme while working in the factory but are eligible for membership when employed on the plantation. The Provident Fund authorities have not yet been able to accept the Association's suggestion that the tea garden should be treated as a single unit and that all workers whether employed in the factory or the garden should be eligible for membership of the Fund. The Provident Fund Commissioner agreed, however, that tea gardens should be allowed to complete a common return in Form 12 in respect of the factory and the plantation as well as to submit a consolidated return of provident fund and administrative charges. Where a factory employed less than the stipulated number of workers, the employer could ask for inclusion under the Scheme under Section 1(4) of the Employees Provident Fund Act.

(ii) To obviate the difficulties which had been encountered in connection with the payment of Provident Fund dues to resigning employees and to the heirs and dependents of deceased employees, the Association continued to urge the Provident Fund authorities to allow such payments to be made by the

garden managers who would deduct the amounts so paid from the collections remitted to the Provident Fund. These representations proved infructuous and despite an appeal to the Labour Minister for special treatment for tea gardens the position remains that when payments have to be made, the monies required for such payments have to be obtained from the office of the Provident Fund Commissioner. As the Association's views on this matter are supported by the local Labour Unions it has been proposed that the subject should be included in the agenda for the tenth meeting of the Industrial Committee on Plantations.

(b) *Assam*.— During year the Assam Tea Plantations Provident Fund Scheme Act was amended to make it applicable to all adolescents and children employed on plantations who had been excluded previously. The Secretary, Board of Trustees, therefore, requested tea estates to enrol all adolescents and children as members of the provident fund and to commence deductions at the prescribed rate and to deposit these contributions in the usual manner.

As a result of the severe drought in the early part of the year, the question arose of whether, when a worker was laid-off under the provisions of the Industrial Disputes Act, he was liable to pay contributions to the provident fund. The Association took advice on this matter and was informed that as "lay-off" was compensation for unemployment and not remuneration for work, provident fund contributions were payable neither by the employee nor the employer.

During the year there was a growing tendency among tea garden managers to apply to the Provident Fund Office for amounts required for the payment of provident fund dues to employees who retire. There is a provision in the Assam Tea Plantations Provident Fund Scheme which enables managers to pay provident fund dues and deduct the amounts from collections. It became evident, therefore, that if managers continued to obtain funds from the Provident Fund Office for payment of dues to persons retiring, there would be pressure for

a change in the system which might ultimately operate to the detriment of managers generally. It has been suggested, therefore, that the Trustees of the Provident Fund might not object if, on occasion, the payment of large sums by way of refund was anticipated by holding back previous collections. The views of the Provident Fund authorities on this suggestion are awaited.

During the year meetings of the Executive Committee of the Board of Trustees took place at which the Association was represented by the Shillong Adviser.

**Labour Bonus.**— Last year's report dealt in detail with the negotiations which led to the signing of various bonus agreements for the years 1957 and 1958. These agreements laid down that the basic bonus in each area would be the average of the bonus paid for the years 1954 to 1956 and that in 1957 and 1958 the bonus payable should bear the same relation to this basic bonus as the profits for the year in question bore to the average profits for the years 1954 to 1956. Other clauses provided that no bonus would be payable in a year of loss, that the entitlements of individual workers who, being a male had worked 240 days or more days, and being a female had worked 175 days or more, would be the full standard bonus; and that bonus should be based on the working results of individual companies. The agreement covering Assam was signed on 28th October, 1959, and that for West Bengal on the 28th November, 1959. Subsequently, the Assam agreement was amended to the effect that where a company had estates both in Assam and elsewhere, the company's results in Assam would be taken for the purpose of calculating bonus : a provision which was included in the Bengal agreement also.

The Assam Tea Planters Association and the Bharatiya Cha Parishad considered it preferable to enter into a separate agreement in respect of the interests which they represented in Assam. Under this agreement, the members of those two organisations undertook to pay an advance of Rs. 10/- per head in years of loss, the payment being recoverable from future bonuses.

The agreements into which the Association entered covered the years 1957 and 1958 and, during the year under record,

detailed discussions and negotiations have taken place in respect of 1959 and subsequent years.

A meeting of the Bonus Committee of the Industrial Committee on Plantations was held on the 4th April, 1960 to discuss this matter but the talks were largely exploratory. Labour representatives however expressed views in favour of bonus being calculated as a percentage of company profits. They reiterated these views at a further meeting of the Bonus Committee held on 17th May, and also indicated that there should be a pool or equalisation fund from which payments would be made in years of loss.

As a result of these meetings detailed discussions were held within the Association and various references made to the Indian Tea Association (London). The matter was also discussed at meetings of the Consultative Committee of Tea Producer Associations. Many suggestions were put forward and examined in detail, but eventually views began to crystallise, and it was considered that the next bonus agreement should be for a reasonably long period—and 5 years was suggested. The basis might be that a company in years of profit would set aside a certain percentage of its profits—as computed for agricultural income tax purposes—for payment of bonus, provided that from these profits a sum equal to 7% of the Company's paid up capital and 5% of the working capital employed in the area in question would first be reserved to the company. If the reservation of these percentages resulted in less than the percentage of profits remaining, such remainder only would be distributed as bonus. So that payments might be made to workers in years of loss or small profits each company would set aside in each year of the agreement in which profits were made, a sum equal to a certain percentage of its profits—2½% was suggested—provided always that the reservation of 7% on paid up capital and 5% on working capital would first be reserved to the company. From this fund, so far as money was available, there would be withdrawn in years of loss or small profits, sufficient to pay not more than Rs. 10/- to each adult worker who had worked for 240 days or more for the year in question. If and when the amount in the fund reached

a certain figure, equivalent to Rs. 20/- for each workman, then no further sums would be credited until the per capita amount had fallen below Rs. 20/-. There would be separate agreements for other workers such as clerical staff and sub staff embodying the same principles as for labour.

These principles were put forward by representatives of the employers at the next meeting of the Bonus Committee which was held on the 19th September. Some progress was made at that meeting, and it appeared that labour would be satisfied with an agreement based on (i) 20% of agricultural income tax profits to cover all classes of employees and (ii) a reservation of 6% on paid up capital and 4% on working capital, provided that a standard "advance" of Rs. 10/- was made in years of loss or in years in which the reservation of the "6 and 4" made the payment of 20% impossible: neither of these proposals were acceptable to the employers.

A further important point discussed was whether the Bonus Committee could deal with clerical and medical staff and artisans. It was agreed that labour bonus should be the concern of the Committee and the subject of a separate agreement and that clerical and "other bonuses" should be dealt with by the Committee subsequently, co-opting additional members where necessary. The Chairman of the Committee would, if he thought it necessary, approach Government for a ruling.

After that meeting further discussions were held within the Association and amendments made in the Industry's proposals. These were in matters of detail rather than of principle; but changes were necessitated, *inter alia*, to safeguard the Fagua and Durga Puja payments in Cachar and to protect agreements entered into by the Assam Tea Planters' Association and sister Associations in respect of bonus payments in 1957 and 1958. A further meeting of the Bonus Committee was held on 28th November but little progress was made. The workers' representatives stated that they had considered the Industry's scheme which they had found quite unacceptable. They could not approve of agricultural income tax profits as a basis of payment.

because such profits would be difficult to ascertain from published accounts. Again the question of a joint agreement covering workers, sub-staff and clerical and medical staff came up. Although the employers' representatives stated that they had no objection if the Committee continued to discuss clerical and other bonus after labour bonus had been settled, the Chairman of the Committee decided that he would write to Government on the matter.

As labour had consistently found the clauses and ideas in the draft agreement prepared by the Association unacceptable, it was finally agreed that labour should prepare their own "Imaginary Agreement". This has now been received and is under consideration but the Association is making every endeavour to have this matter settled as expeditiously as possible.

**Housing.**— Last year's report made mention of Government's criticisms that dividends were being paid and expenditure being allowed for factory machinery while the housing programme was not being adhered to by tea companies. During the year certain estates were also called upon to explain their failure to construct pucca houses for 8% of their labour force as laid down in the Plantations Labour Act.

In the past, despite the very heavy liability involved in constructing houses, the Association had refrained from asking for a reduction in the percentage as it was feared that a lower percentage might result in Government being more strict in compelling estates to build the full percentage of houses laid down. With the changed attitude, however, it was considered that the whole matter should be put to the Government of India and, after consultation, a detailed letter was sent by the Consultative Committee of Tea Producer Associations.

After outlining the case in detail the following points were made :

- (i) the 8% figure had no scientific basis and was related to a 1950 target of kutchha houses even then not attained;

- (ii) when the 8% figure was adopted against the industry's advice, it was accepted by Government representatives that its attainment would depend upon the continuance of the existing conditions, upon the building of kutchha houses if funds were inadequate for pucca houses; and upon the granting of loans where needed;
- (iii) none of these conditions had been fulfilled and there were indications that State Governments expected tea companies to build upto the target to the exclusion of other activities, and despite the relaxation permitted in the Rules;
- (iv) members of the Consultative Committee, including the Indian Tea Association which had already built or rebuilt 47% of the houses required, could continue no longer at the present pace and therefore the Government of India was asked—
  - (a) to secure a reduction of the no longer realistic figure of 8%, and to suggest to State Governments a more generous utilisation of the exemption provisions of the Act and Rules,
  - (b) to treat the building of pucca houses as qualifying for cent per cent development rebate, and
  - (c) to grant loans and subsidies for the construction of houses to the Plantation Rules specifications under the Industrial Subsidised Housing Scheme.

No detailed reply has yet been received, although reminders have been issued, both official and demi-official. The matter has also been discussed with Government officials from time to time and it was also considered in some detail at a meeting of the Export Promotion Committee of the Tea Board in October. Mr. Lal Bahadur Shastri, Minister for Commerce and Industry, Government of India, was present at that meeting.

and proposed that a cost accountant should examine the position of a cross-section of the industry. The impression gained by the Association's representatives at that meeting was that action would be taken by the Government of India to alleviate this burden, if the cost accountant's examination showed that the industry's case was just.

The matter therefore rests with the Government of India; but the Association has asked that this matter be placed on the agenda for the next meeting of the Industrial Committee on Plantations which will be held early in 1961.

**Housing Schemes.**— (a) *Subsidised Industrial Housing Scheme.*—Under the Government of India's Subsidised Industrial Housing Scheme employers are eligible to receive financial assistance from the Government of India towards the cost of construction of houses for labour to the extent of 50% of the cost as loan and 25% as subsidy subject to certain specified maxima. The scheme, however, is restricted to houses built for factory workers.

During the year the Association made several representations to the Government of India and to the State Governments urging that the Scheme should be extended to the Plantation Industry so that tea gardens could obtain subsidies and loans in respect of houses built not only for their factory workers, who represent a small percentage of the total labour force, but also for all their garden workers. It was also suggested to Government that in view of the difficulty in determining who were factory workers on tea gardens, an arbitrary percentage of the tea garden labour force should be treated as factory workers. Unfortunately, however, Government continued to oppose the suggestion that the scheme be made applicable to the Plantation Industry and also declined to fix a percentage or quota which could be used to determine the number of tea garden workers who could be deemed to be "factory workers" for the purposes of the scheme.

A further point pressed in this respect was that under the Industrial Housing Scheme, it should be made possible to build



to the specifications laid down for houses under the Plantations Labour Act.

During discussions with the Labour Minister which took place in New Delhi in October, 1960, the Association's representatives were interested to learn that the funds for the subsidised Industrial Housing Scheme were provided from the money which was paid into the Employees' Provident Fund Scheme. In view of the fact that the Employees' Provident Fund Scheme now covered all tea garden workers in West Bengal and as the bulk of the holdings of the Assam Tea Plantations Provident Fund Scheme were Central Government securities, the Association has once again urged Government to reconsider this matter and to extend the subsidised Industrial Housing Scheme to the Plantation Industry. Government's reactions are awaited.

*(b) The Plantations Labour Housing Scheme, Assam 1956.*

The Plantations Labour Housing Scheme, which was formulated by the Government of Assam in 1956, provides for the grant of loans for the construction of houses for tea garden labour to the extent of 80% of the cost of the houses. The scheme when originally framed was limited to gardens with a labour force not exceeding 500 and was therefore largely inapplicable to members of the Association. During the year the Government of Assam advised the Association that the scheme had been modified and that all gardens were now eligible for loans under the Scheme, which was therefore brought to the attention of members in Circular Letter No. 63 of the 23rd April, 1960.

The response to the Scheme continued to be limited however because of the inability of tea estates to offer the security demanded by the Scheme for the loans offered. The difficulties of tea estates in this regard were considered at a meeting convened by the Assam Government on the 5th October 1960 when Government agreed to examine the proposal that the land and buildings constructed out of a loan should be mortgaged separately to Government and that in that event an additional premium of  $\frac{1}{2}\%$  should be paid to a Pool Guarantee Fund

It was also agreed that the provision that immovable property offered as security had to be in the same district should be deleted, on the condition that if the property offered were anywhere outside the State, the expenses in connection with verification would be borne by the applicant. It was also agreed that if it were legally permissible, the Scheme would be modified to allow loans to be granted against a perpetual second mortgage which would rank after crop hypothecation.

Government's final decisions in this connection are still awaited.

(c) *West Bengal Plantations Labour Housing Scheme.*— No major changes were made in the West Bengal Plantations Labour Housing Scheme during the year under review.

**Supply of Firewood for Labour.**— The supply of firewood to labour on tea gardens continued to be a problem during the year. In Assam the sub-committee, which had been appointed by the Assam Standing Labour Committee at its meeting held in September, 1959, held a meeting in April, 1960 when the labour representatives continued to insist that a family required one cart load of firewood per month delivered to the residence of the workers. The Association's representatives could not accept this demand and, while agreeing that the employer had an obligation to make firewood available, contended that further investigations should be made to ascertain the quantum of firewood needed per capita or per household. For this purpose a Joint Committee, consisting of Mr. R. J. Barkley of the Assam Branch and Shri P. Goswami of the I.N.T.U.C. was appointed to carry out an investigation on three Assam Branch gardens and one A.T.P.A. garden. The report of the Joint Committee will be considered by the Sub-Committee at a meeting which will be held in February, 1961.

In Bengal the quantities of firewood allotted to tea gardens by the Conservator of Forests, Northern Circle amounted to about 50% of their requirements and consideration had to be given by Tea Companies to the establishment of fuel baries to meet the fuel shortage which was causing discontent among the labour. The planting of forests in West Bengal, however, is controlled

under the Private Forests Act and companies found it difficult to decide their policy in this matter in view of the possibility that the areas so planted might be acquired under the Estates Acquisition Act resulting in a loss which the companies could not afford to incur. The Association, therefore, addressed the Chairman of the Tea Board in August drawing his attention to the unsatisfactory position prevailing and asking him to obtain an assurance from the Government of West Bengal that fuel baries established by tea estates for their own use would not be taken over. The Tea Board have recommended the case to the Government of West Bengal but Government's reactions have not yet been received.

**Medical Services on Tea Estates.**— Under the Plantations Labour Rules, tea gardens are required to submit periodical returns showing the progress being made by them in the matter of providing medical facilities for their labour. The standards reached by members at the 31st December 1959 are recorded for information.

	Members Standards as at 31-12-59		Plantations Labour Rules Standards	
			Per thousand workers	
Hospital Beds	..	32.61	..	15.00
Doctors	..	1.36	..	0.57
Midwives	..	1.40	..	0.57
Nurses	..	1.99	..	1.43
Compounders	..	1.57	..	0.57
Anti Malaria/Health Assistants	..	0.80	..	0.48

**Labour Relations.**— In 1960, 41 strikes were reported from member gardens as compared with 56 in 1959. In 27 of these instances the stoppage of work lasted not more than one day while in 6 cases only the strikes continued for more than 5 days. The number of man-days lost, however, increased from 68,316 in 1959 to 1,10,455. The loss of production was estimated at 7,862 maunds of tea against a loss of 4,703 maunds of tea in 1959. A brief analysis of the statistics in respect of

each district is given in the following paragraphs in which for the purposes of comparison the corresponding figures for 1959 are shown in brackets.

In the Assam Valley 14(22) strikes occurred involving 10,817 (16,537) workers; 56,411 (34,228) man-days were lost with a loss in wages of Rs. 101,906 (Rs. 53,376). Production losses amounted to 2,891 (2,352) maunds.

In Cachar there were 4 (2) strikes. The number of workers involved totalled 1,676 (1,167) and the man-days lost were 2,772 (905). The loss in wages amounted to Rs. 3,724 (Rs. 1,040). Production losses amounted to 10 (46) maunds.

In the Dooars there were 22 (14) strikes involving 39,785 (25,516) workers. The number of man-days lost was 51,141 (24,363) and the wages lost amounted to Rs. 93,102 (Rs. 42,813). The loss in production amounted to 4,911 (1,935) maunds.

In Darjeeling 1 (18) strike took place in 1960 involving 39 (7,175) workers. The number of man-days amounted to 131 (8,820) while the loss in wages was estimated at Rs. 199 (Rs. 11,094). The loss in production amounted to 50 (370) maunds.

**Labour Welfare—Assam.**—(i) *Rowriah Welfare Training Centre.*—Four training courses were held at the Rowriah Welfare Training Centre during 1960 and Agency Houses were asked to provide candidates from the gardens under their control as usual.

In May the Government of Assam issued a questionnaire to tea garden managers, who had nominated candidates to previous courses, asking for reports on the individuals concerned in an attempt to assess the value of these courses. Managers were asked to co-operate in the enquiry, the results of which are now awaited.

(ii) *Mazengah Training Centre for Women.*—One course was held at the Mazengah Training Centre by the Kasturba Gandhi National Memorial Trust during 1960 and Agency

Houses were asked to provide twelve candidates from gardens under their control.

**The Assam Tea Plantations Employees' Welfare Fund Act 1959.**— The Assam Tea Plantations Employees' Welfare Fund Act, 1959, which received the assent of the President on the 27th April, 1960 and was published in the Assam Gazette Extraordinary of the 6th May, 1960, came into force on the 23rd June, 1960 and provides for the establishment of a Welfare Fund to which will have to be paid: —

- (a) all fines realised from the employees in the course of management of the plantation;
- (b) all unpaid accumulations;
- (c) all grants from the State or Central Government or the Tea Board constituted under the Tea Act 1953
- (d) any voluntary donations;
- (e) any sum borrowed under Section 8 ;
- (f) any sum unclaimed or forfeited in the Provident Fund account of the employees.

“Unpaid accumulations” has been defined as “all payments due to the employees but not made to them within a period of three years from the date they became due whether before or after the commencement of the Act including the wages, bonus or gratuity.”

The rules under the Act were published in the Assam Gazette of the 2nd November 1960, but no date has yet been notified under Rule 3 for the payment of fines etc. realised before the date of enforcement of the Act.

There appears to be some doubt as to whether the Act in its present form is not ultra vires the Constitution because its provisions, relating to unpaid accumulations, are akin to those of a similar Bombay Act which were held invalid by the Supreme Court on the grounds that unpaid bonus and wages remain the property of the employee and cannot be regarded as abandoned property after the lapse of three years despite the

disabilities imposed upon the employee by the Statute of Limitations in so far as suing for dues in a Court of Law is concerned.

The Assam Government's attention has been drawn to this matter and it is expected that an appropriate amendment to provide for the payment by the Trustees of Fund of any claims from employees in respect of unpaid wages, bonus or gratuity, which have vested in the Fund, will be made.

**Assam Minimum Wages Rules.**— In last year's report it was mentioned that the Government of Assam had issued a notification inviting comments on certain amendments they proposed to make in the Assam Minimum Wages Rules and that the Association had protested against certain objectionable features in the draft.

In a notification dated the 24th May 1960, the Government of Assam published the amendments in their final form. The amended rules did not concede any of the points made by the Association, except that it was made clear that no extra payment would have to be made for the day of rest. Copies of the notification were issued to members in Assam who were advised :—

- (i) that tea estates would have to display the new Form IIIA, which contained extracts from the Minimum Wages Act and Rules, on the Notice Board in English and in a language understood by a majority of the workers

The minimum rates of wages fixed for the various categories of workers would have to be indicated in Section XI of the form

- (ii) A new register of wages in Form IVA would have to be introduced and that the signature or thumb impression of the employers would have to be obtained at the time of payment. Wage slips would also have to be issued to the employees.

The provisions for the issue of wage slips and the recording of signatures or thumb impressions were strongly

objected to by tea gardens who considered such a system unnecessary and one likely to be misunderstood and to lead to labour unrest. The Shillong Adviser was accordingly requested to make representations to the Government of Assam asking for tea gardens to be exempted from the provision of these rules. Government, however, were unwilling to accept the Association's suggestions and, as a compromise, it has been suggested that the requirements relating to signatures and thumb impressions should be deleted and that gardens should be permitted to use pay slips only, on which would be entered the worker's name, the pay period and the total earnings payable. These wage slips would be given to the workers for presentation to the officer making the payment and would be retained in the estate office for a period of six months.

Government's reactions to these suggestions are now awaited.

**Rice Cut Compensation in Cachar.**— In April, 1960 the Cachar Cha-Sramik Union addressed a letter to all estates in Cachar demanding, on the grounds of the Award made by the Supreme Court in the rice cut compensation case, the payment of cash compensation for certain reductions in ration which were alleged to have been made in Cachar in 1951 and 1952, the claim extending from the date of the reductions until the date of conversion. This demand had been raised on previous occasions and in 1957 the Surma Valley Branch had pointed out that there had never in fact been any cut in family rations in Cachar, that consequently no cash compensation had been payable and that the Award of the Supreme Court was therefore inapplicable to Cachar. The Association, therefore, in consultation with the other Producer Associations concerned, advised the Union in reply to their present reference that their claim was untenable and that the Branch's previous stand constituted a correct interpretation of the position in this matter. Nothing further has been heard from the Union.

**Temporary Lay-off and Retrenchment in Cachar.**— Last year's report recorded that the Industrial Tribunal which was adjudicating on this subject held that the estates concerned in Cachar

had been justified in the action they had taken to lay-off and retrench staff during 1952 and that no compensation need be paid. Early in 1960 it was reported that the Cachar Cha Sramik Union intended to appeal against this decision; in due course leave to appeal was granted by the Supreme Court, although the Association opposed the petition, and the Union's appeal has now been filed. The case is still pending before the Supreme Court.

**The Plantations Labour Act.**— (a) *The Plantation Labour (Amendment) Act, 1960.*—The Plantations Labour (Amendment) Act 1960 received the assent of the President of India on the 13th September 1960 and was published in the Gazette of India Extraordinary on the 14th September. It was brought into force on the 21st November 1960 by a notification No. S. O. 2788 dated the 15th November, 1960

The Amendment Act empowers State Governments to apply all or any of the provisions of the Plantations Labour Act to plantations of less than 10.117 hectares (25 acres) in area or employing less than 30 workers, subject to the condition that such of these plantations as were in existence before the commencement of the Act, may not be brought within the scope of the Act. The other important changes introduced are as follows :—

<i>Family</i>	The definition has been changed and includes children up to the age of 18.
<i>Plantation</i>	The definition has been altered and now covers offices, hospitals, dispensaries, and schools, but factories have been excluded.
<i>Worker</i>	The important alteration in the definition is that a person temporarily employed on the plantation in any work relating to the construction, development, or maintenance of buildings, roads, drains, or canals is not a "worker" within the meaning of the Act.



- Medical Benefits* . The amendment to Section 10 makes it clear that medical benefits have to be given to workers and their families, which, in view of the change in definition of family, includes children up to the age of 18, whether they are workers or not.
- Leave* . For calculating leave entitlement, the amendment follows an arrangement which had been accepted by the Association. Less than half a day's work will be ignored, and half a day or more will count as a full day. There is a provision regarding the payment of leave benefits to persons whose services are terminated. This follows the pattern of the Factories Act.
- Leave Pay* . The minimum wage can be paid only to those employed on a time basis. In other cases the average daily wage over the previous 12 months is to be calculated.
- Hours of Work* . By an amendment to Section 42 it is made clear that a State Government cannot extend the limit of 54 hours of work per week.

(b) *Implementation Enquiry Committee in Assam*.—In pursuance of a resolution passed by the Assam Legislative Assembly, the Government of Assam, by a notification dated the 30th July, 1960, constituted a Committee of six M.L.A's under the Chairmanship of Sri O. K. Das, to assess the implementation of the Plantations Labour Act in Assam, with the following terms of reference:—

1. Whether the programme undertaken by the Tea Industry for implementation of various items of Plantation Labour Act, viz housing, medical facilities, water supply, creche, canteen and education are adequate? If not, what changes should be adopted?

2. Whether specifications adopted, and type of construction undertaken for housing are adequate and satisfactory for worker's families? If not, what changes should be adopted?
3. Whether medical facilities provided are adequate and satisfactory? If not, what changes are recommended?
4. Whether water supply is adequate and satisfactory? If not what changes are recommended?
5. Whether siting, construction, lay out and provisions in and of the creche are adequate and satisfactory? If not, what changes are recommended?
6. Whether running of and provisions in canteen are satisfactory? If not, what changes are recommended?
7. Whether provisions of schools, and teachers are adequate? If not, what remedies are suggested?

The Committee issued a questionnaire to all employers' organisations and to garden managers. Replies have been submitted by the Branches expressing their views on the difficulties encountered by tea estates in implementing the provisions of the Act, in respect of housing, medical facilities, water supply, creches, canteens and education. Managers' replies are in the course of submission.

In the meantime, the Committee have announced their intention of visiting the tea garden areas and the Assam Branch has been asked to nominate ten gardens in each Zone for this purpose.

(c) *Leave with Wages*.—Under Section 30 of the Plantations Labour Act, every adult worker earns one day of leave for every twenty days of work performed and a young person or child one day for every fifteen days of work performed. Under Section 31(1) of the Act wages for the leave so granted may be paid at the minimum wage rate only to those who are employed on a time basis. In other cases the average daily wage over the previous 12 months has to be cal-

culated. In Circular No. 1 dated the 6th January, 1961 the Association advised members that such calculations should be made in accordance with following instructions:—

Let

A = Total leave pay for entire period of earned leave.

B = Wages paid during previous twelve months.

C = Number of days worked during previous twelve months. (for this purpose less than half a day's work will be ignored, and half a day or more will be counted as a full day.)

D = Number of days leave earned.

Then for an adult (one who has completed his eighteenth year).

$$D = \frac{C}{20}$$

and for a young person (one who has not completed his eighteenth year)

$$D = \frac{C}{15}$$

and the formula for leave pay for the year will be

$$A = \frac{B}{C} \times D$$

(d) *Creches*.— Rule 37 of the West Bengal Plantations Labour Rules reads as follows:—

“37. *Supply of milk and refreshment*.—At least half a pint of clean pure milk, if possible, otherwise, powdered milk approved by the certifying surgeon, shall be made available by the employer at his own cost for each child up to two years of age on every day it is accommodated in the creche. For children above two years of age there shall be provided an adequate supply of wholesome re-

freshment. The mother of each child accommodated in the creche shall be allowed in the course of her daily work, two intervals of sufficient time to visit the creche and feed the child."

When the Association learnt that the Government of West Bengal was proposing to implement this rule, a representation was made suggesting that before such action was taken, the rule should be amended to bring it into line with the Assam rule on this subject.

This suggestion was made because it was the Association's view that Rule 37 in its present form, would not only be extremely burdensome to the employer but would also be impracticable to operate. Apart from the difficulty of obtaining adequate supplies of fresh or powdered milk, it was considered that the provision might lead to a good deal of waste and unnecessary expense. The rule made no provision for exempting those children less than 2 years of age who were breast fed, nor did it provide for a charge to be made to parents for any milk consumed—an essential feature if abuse was to be avoided.

The corresponding Assam rule (Rule 48), which reads as follows:—

"48. On request by workers, arrangement for providing some pure milk if possible, otherwise powdered milk approved by Certifying Surgeons and or wholesome refreshments to children may be made in a creche on payment by workers of a nominal charge to be fixed by the Chief Inspector of Plantations

Provided, however, the Chief Inspector of Plantations may direct that milk or wholesome refreshments, the quantity of which may be determined on the advice of Certifying Surgeons, shall be served to children free of charge in a creche on medical grounds.

Provided further that existing practice of providing free food to children in some plantations shall continue unaffected "

was more satisfactory and the Association suggested that its text should be substituted for that of rule 37 of the West Bengal Plantation Labour Rules.

It was also suggested that Government should allow the Association's representatives an opportunity to discuss a number of other difficulties which were envisaged in connection with the implementation of the rules regarding creches. Government's reply is awaited.

**Plantations Labour Rules.**— (a) *Assam.*—Rules 58 and 63 of the Assam Plantations Labour Rules 1956, which deal with housing for workers, were amended by a notification dated the 22nd January, 1960 issued by the Government of Assam.

(b) *West Bengal.*—In a notification dated the 11th January, 1960 the Government of West Bengal prescribed a new Form 4 under the West Bengal Plantations Labour Rules 1956 for the submission of annual progress reports on housing.

In a notification dated the 19th August 1960 the Government of West Bengal amended Rule 27(ii) of the West Bengal Plantations Labour Rules 1956 to provide for the submission by tea estates of half yearly reports on the progress being made in the matter of medical facilities.

**Medical Advisory Boards.**— (a) *West Bengal.*—The Association was represented by Mr. I. F. Morriss, O.B.E., on the West Bengal Medical Advisory Board, which was constituted under Rules 30 of the West Bengal Plantations Labour Rules.

(b) *Assam.*—By a notification dated the 21st July, 1960, the Government of Assam reconstituted the Medical Advisory Board on which the Association is represented by the Chairmen of the Assam and Surma Valley Branches

The Chief Inspector of Plantations, Assam, issued a circular on the 8th April, 1960, suggesting that tea garden hospitals should provide diets for patients on the same scale as State Hospitals. This arrangement was not considered satisfactory and the Association, in consultation with the Assam Branch of

the British Medical Association, drew up a "standard diet" chart for tea garden hospitals which was issued to all members in Assam under Circular Letter No. 161 of the 24th October, 1960. Members were asked to adopt the chart provisionally, although it has not yet been approved by the Medical Advisory Board.

In last year's report it was recorded that the Association had prepared a consolidated list of the drugs, equipment, registers etc, which might be prescribed for use in tea garden hospitals. In a notification dated the 20th April, 1960, the Government of Assam issued a list of instruments, drugs and medical records which tea gardens in Assam were required to provide and maintain in every dispensary, garden or group hospital. The list did not agree with that proposed by the Association and came in for considerable criticism from all concerned. The matter was discussed with the Chief Inspector of Plantations, Assam who indicated that he was quite willing to revise the list on receiving concrete proposals from the Association. In the meanwhile he explained that the items prescribed in the Government Notification were only required to be maintained in one place on a tea garden, either at the garden hospital or where, under the provision of Rule 36(b) of the Assam Plantations Labour Rules, there was no hospital, at the dispensary. If for any reason the items were not maintained at the garden hospital, but in a central medical store, a list should be displayed giving the names of such items and the location of the central medical store.

The Chief Inspector also mentioned that where there were garden hospitals, Government did not recognise garden dispensaries/out-garden dispensaries as being dispensaries under the Act, and that such dispensaries might be equipped as considered necessary. It would, however, be advisable to display a list as mentioned so that all concerned might know where particular drugs and instruments were stocked.

Through the good offices of the Principal of the Ross Institute the list of drugs etc. was examined by the Assam Branch of the British Medical Association and a fresh list prepared. A

copy of this revised list has been passed on to Government and will be examined shortly by the Medical Advisory Board.

**Training of Health Assistants.**— Rule 36(5) of the Assam Plantations Labour Rules 1956 prescribes that each garden hospital shall be under the control of a qualified medical practitioner assisted by, among others, a trained health assistant. To assist gardens in fulfilling the requirements of this rule arrangements were made, through the good offices of the Principal of the Ross Institute, for the training of tea garden nominees at the Chabua Health Centre of the Assam Medical College which accepted five candidates for the course which commenced on the 4th January, 1960. Five seats were also offered to tea garden candidates at the course which commenced in mid November, 1960 but only two candidates were nominated.

As a further measure of assistance to the industry the Principal of the Ross Institute arranged for a three week training course to be held at the Institute's Headquarters at Cinnamara from the 9th January, 1961 to 27th January, 1961 and members were asked to nominate a total of 25 candidates for training. It is to be regretted that the response was not encouraging and that it was after the greatest difficulty that 23 candidates were eventually found to take the course.

**Industrial Disputes Act.**— (a) *Notices of Change.*—In 1957 the Government of West Bengal granted exemption for a period of three years to the tea plantation industry of West Bengal from the provisions of items 4, 6 and 11 of Section 9A of the Industrial Disputes Act, which require managements to give 21 days' notice of change in respect of changes in hours of work and rest intervals, shift working and alterations in numbers employed in different occupations or departments.

At the request of the Association, Government issued a notification dated the 27th July, 1960, extending the concession for a further period of three years from the 1st August, 1960. Estates were requested, however, to ensure that all changes in respect of the items involved in the exemption were notified to

the Labour Commissioner, West Bengal within a week, so as to prevent any abuses of the privilege granted.

(b) *Screening of Appeals against industrial awards*—Unions have frequently alleged that employers often appeal against the awards of Industrial Tribunals to the Supreme Court or to the High Courts on technical grounds merely to delay the implementation of the awards completely disregarding the effect of such appeals on labour relations. These allegations have been effectively refuted by employers' organisations but as a measure of good faith, an undertaking was given by the Employers Federation of India to the Central Government that screening machinery would be set up to check cases of appeal by employers before they are taken to the Supreme Court or the High Courts. In pursuance of this undertaking members were asked in Circular No. 147 of 23rd December, 1969, to refer all cases to the Association before filing appeals to the High Courts and the Supreme Court against any tribunal decision. It is proposed that such cases should be examined by the Chairman and Advisers in consultation with the member concerned having regard to the following guiding principles :—

- (1) The proceedings of the Screening Committee and the advice given to members who submit cases for screening will be strictly confidential and in no cases will it ever be revealed that advice was given not to pursue a case which the member itself subsequently decided to pursue.
- (2) The Committee will examine only those cases in which employers are proposing to appeal to the High Courts or to the Supreme Court.
- (3) The Committee should not be regarded as a bureau for dispensing legal advice; the advice given by the Committee will be based not only on legal considerations but on general considerations of the interests of members and their industries and on broad political considerations.



- (4) Any views expressed by the Committee on appeal cases will be recommendations only and will not deprive members of their ultimate right to prefer their own appeals.

**Assam Industrial Disputes Rules, 1958.**— The revised Assam Industrial Disputes Rules 1958 were published in the Assam Gazette of the 3rd February, 1960 and came into force as from that date. These rules introduced several alterations and the Association drew members' attention to those of special interest in Circular Letter No. 98 of the 21st June, 1960, a copy of which is reproduced in the appendices to this report.

**The Tea Districts Emigrant Labour Act 1932.**— (a) *Proposed amendments to the Act.*—At the second meeting of the Ninth Session of the Industrial Committee on Plantations held on the 27th April the Government of India tabled a memorandum in which it was suggested that with a view to checking illicit recruitment and earning some additional revenue for the Emigrant Labour Fund, the Tea Districts Emigrant Labour Act, 1932 should be amended as follows:—

- (i) Tea Garden Managers should be required to obtain permission from the Central Government (which will delegate its powers to the Controller of Emigrant Labour for this purpose) for recruiting labour from outside the State.
- (ii) Additional powers should be granted to the Controller for the interrogation and detaining of persons who are suspected to be labourers illicitly recruited for Assam tea gardens.
- (iii) Transit camps should be set up to ensure the provision of necessary facilities regarding rest, feeding etc. to labourers enroute in view of the closure of the TDLA depots.
- (iv) A further cess should be levied at a rate not exceeding Rs. 3/- per annum per emigrant labourer who postponed his right of repatriation after three years

- (v) A penal cess should be imposed at double the rate in each case of illicit recruitment detected.

The Association could see no reason why Government should seek to amend the Act at a time when outside recruitment had largely ceased and earnest endeavours were being made to secure the transfer of surplus labour from one part of the State to gardens where their services could be utilised. In fact it was considered that the liquidation of the TDLA and the abolition of the office of the Controller of Emigrant Labour were two steps essential to securing the expeditious transfer of surplus labour. Government were accordingly advised that the Association not only strongly opposed the proposed amendments, but wished to recommend the repeal of the Act in its entirety in view of the fact that such legislation was no longer necessary having regard to the changed conditions in the country and the emancipation of the labour force.

When the Government memorandum was eventually discussed discussions at the April meeting having been postponed - at the third meeting of the Ninth Session of the Industrial Committee on Plantations held in August it appeared to the Association's representative that the Committee had agreed that the Act in its present form already provided the Controller with sufficient powers to control illicit recruitment and that all that was necessary was for the rules to be amended. A penal cess was also not necessary as the Act provided for greater penalties than the cess proposed. The Government of India's record of the conclusions reached by the meeting on this subject, however, is at variation with that of the Association's representative and states that the Committee agreed that :—

- (i) The Tea Districts Emigrant Labour Act should be amended in order to make it obligatory on the part of garden managers to obtain permits from a prescribed authority for recruiting labour from outside Assam. Such permits would ordinarily be issued if the special Employment Exchange is unable to arrange for the supply of labour from within the

State within a specified time. The permits would indicate the number of workers to be recruited.

(ii) The Act should also be amended to provide for the imposition of a penal cess in case of illicit recruitment.

(iii) There should be adequate provision for the effective prosecution of persons resorting to illicit recruitment.

It now remains for the Government to frame the legislation necessary to give effect to these conclusions.

(b) *Rate of Emigrant Labour Cess.*—The Government of India, Ministry of Labour and Employment fixed the rate of Emigrant Labour Cess for the year 1st October, 1960 to the 30th September, 1961 at Rs. 8/- per assisted emigrant.

**Recruitment of Labour : Closure of the Tea Districts Labour Association.**—One of the items placed on the agenda for the Ninth Session of the Industrial Committee on Plantations—Second Meeting—held in New Delhi on the 27th April was the amendment of the Tea Districts Emigrant Labour Act, 1932. As employers' representatives had had no prior indication that this matter would be discussed, it was eventually agreed that it should be postponed to a later meeting; but the reasons given by Government for the proposed amendment to the Act were to control illicit recruitment, which the Controller of Emigrant Labour alleged was taking place, and to increase revenue for the Emigrant Labour Fund. It appeared, however, that Government visualised the continuance of emigration and in any case the existing powers of the Act were sufficient to discourage any illegal recruitment. When this matter eventually came up at the Third Meeting of the Ninth Session of the Industrial Committee on Plantations, which was held in Delhi on the 3rd August, Government's proposals were opposed on the grounds that the Act appeared to be ultra vires the Constitution of India, since it interfered with the fundamental right of the freedom of movement and it was discriminatory, in that it selected the tea industry solely for the application of restrictive

measures. After considerable discussion the following more important decisions were reached:—

- (i) in view of the existence of a sizeable surplus of labour in certain tea districts in Assam, no fresh recruitment should be made from outside the State and that active steps should be taken to encourage the movement of labour from surplus to deficit areas;
- (ii) a Tripalite Advisory Committee should be set up to advise and assist a special employment exchange— which it was proposed should be established for plantation labour—in the discharge of its duties.
- (iii) a scheme for the movement of labour based on suitable incentives should be drawn up;
- (iv) the Tea Districts Emigrant Labour Act should be amended to provide for the imposition of a penal cess in the case of illicit recruitment.

It was also agreed that in the event of the winding up of the Tea Districts Labour Association, employers would make suitable alternative arrangements for the repatriation of emigrant workers. These included—

- (i) emigrant workers returning to the various States would be assembled in batches at a central place in Assam and would be sent with an escort to a convenient central place in each of the recruiting States. The employers would purchase tickets and make railway reservations and other necessary arrangements.
- (ii) the subsistence allowance payable to workers during the journey would be Rs. 2.50 nP. per day in the case of adults and Rs. 1.75 nP. in the case of minors.
- (iii) rest rooms of adequate size, providing sleeping accommodation, and water facilities would be maintained at Gauhati, Katihar, Ranchi and Vizianagram for a period of three years

As a result of this meeting the Association, in conjunction with the Assam Branch, drew up a scheme for the internal recruitment of labour in Assam. The object of the scheme was to establish a system of recruitment for labour for estates in Assam to take the place of that recruited from the former recruiting districts by the Tea Districts Labour Association. To enable the scheme to be put into operation information concerning surplus labour and new labour required was collected. When an Agency House had both surplus and deficit estates, recruiters were to be consigned from deficit estates to surplus estates by mutual arrangements, Branch being advised of these arrangements, of the number of recruiters despatched, and the garden to which they were sent and the number of workmen required. When the consignment of recruiters between estates within the same Agency House group was not possible, the Agency House group would report to the Assam Branch, and the Branch would send such Agency House a list of convenient surplus estates to which recruiters might be consigned after agreement of the estate with surplus labour. Recruitment would be for a minimum period of three years. Advances to recruiters were to be left to the discretion of the recruiting garden, but at the time of writing, it had not yet been finally decided what settling allowance should be paid on arrival at the receiving estate. Details of recruits would be entered by the despatching estate on a form which would be supplied by the Branch.

It is expected that the scheme will be in full operation in the near future.

The Tea Districts Labour Association went into liquidation with effect from 1st September and, prior to that date, the Association came to an agreement that it would purchase the Tea Districts Labour Association's property at Gauhati, Katihar and Ranchi and both the property and the land at Vizianagram. The lease for the Katihar land is privately owned and has been renewed; and the Association is in touch with the Governments of Assam and Bihar concerning the leases for the land at Gauhati and Ranchi, which are owned by those Governments. The cost of the purchase of the properties and the land at

Vizianagram, amounted to Rs. 53,500 and it was estimated that running expenses would be approximately Rs. 23,000 per year.

Consideration is being given to a proposal that the running expenses of the Centres should be raised by means of a levy on those members, who formerly recruited labour through the T.D.L.A., the levy to be based on the average recruitment over the past ten years.

**Family Planning.**— During the year the question of family planning received detailed consideration. At one stage the Committee had considered the possibility of garden girls being given training as health visitors in family planning but eventually it was agreed that suitable candidates would not be forthcoming from garden sources for this work.

In order to provide data on this subject, information was collected from members giving the number of female workers on estates who had claimed maternity benefits more than three times. These details were studied and the position discussed in London during the Chairman's annual visit to the United Kingdom, when it was agreed that Dr. Alan Gilroy should be asked to consider this matter with a view to the Association taking more active measures in respect of family planning. Dr. Gilroy produced a most excellent report on this matter in which he suggested that a Technical Sub-Committee might be appointed—possibly one for Assam and one for West Bengal—to advise the Association on a plan of campaign.

After consideration of this report, it was agreed that a meeting of P.M.Os. should be held in Assam under the auspices of the Assam Branch to evolve a plan of campaign for that State. Once that had been settled, a similar meeting would be held in the Dooars at which the Assam Scheme would be considered and if necessary modified for the Dooars.

The meeting in Assam will take place early in February, 1961 and as a result it is hoped that the Association will now be able to move forward in this matter.

**Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959.**— Last year's report made mention of the Employment Exchanges (Compulsory Notification of Vacancies) Act.

1959, the objects of which were to make it compulsory for employers to notify all vacancies to the local employment exchanges except in (i) vacancies in agricultural or domestic services; (ii) temporary vacancies; (iii) vacancies for "unskilled office workers"; and (iv) vacancies to be filled by promotion or by transfer within an establishment.

Rules under the Act were issued in April and it was also notified both by the Government of Assam and West Bengal that establishments in the private sector would have to notify vacancies to the appropriate exchange as from 1st June, 1960.

As mentioned the Act did not apply in respect of vacancies in any employment in agriculture, other than employment as agricultural or farm machinery operatives. In view of this section, it was decided, after consultation with solicitors, that the tea industry could obtain a measure of exemption from the Act and members were informed that the Act did not apply to the Industry except in so far as machinery operatives, persons employed in the factory, drivers and clerical staff were concerned. Even in these categories vacancies for workers receiving a remuneration of less than Rs. 60/- a month, including the various allowances, need not be notified. Although a minimum wage was laid down in the Act, there was no maximum level which meant that managerial staff vacancies would have to be notified. As vacancies for managerial staff would be filled by Agency Houses in respect of those gardens which had Agency Houses -it would not be necessary for estates to notify such vacancies to the local exchange as they could be notified to the Central Employment Exchange New Delhi, if desired.

Under the Rules quarterly returns and a biennial return are required to be submitted to the Local Employment Exchanges.

**Employment Problems - (a) Assam Screening Advisory Committee.** -Last year's report referred to the announcement by the Chief Minister of Assam that he desired to convene a meeting of leading employers in order to have a full discussion on the

question of the surplus population in Assam and the employment of Assamese.

This meeting eventually took place on the 18th February, 1960, and was attended by a number of Agency Houses. Both the Chief Minister, Assam, and the Labour Minister were present and the latter, in his address, referred to the dissatisfaction among the public in Assam in regard to the appointment of outsiders and urged that the tea industry should give preference to local persons. The Chairman of the Association, who was present at the meeting, stated that the industry appreciated the difficulties facing Government and was anxious to co-operate and in fact a number of Assamese was employed in the tea industry. The outcome of the meeting was the formation of a small Screening Committee to interview candidates from Assam and to choose the most suitable whom Agency Houses could approach when they had vacancies to fill. The Association was represented on the Committee by the Hon'ble S. P. Sinha; but it was made clear that selection by the Committee did not necessarily mean that an appointment by an Agency House would be forthcoming.

The Advisory Committee held its first meeting at Gauhati early in December and interviewed over a hundred candidates, of which 30 were considered suitable for possible interview by Agency Houses. The names of those candidates were forwarded to members by the Association and it was recommended that Agency Houses, who had vacancies to fill should, when interviewing candidates, endeavour to see a number of the candidates selected by the Advisory Committee. Agency Houses were asked to get in touch with the candidates direct, to inform the Association of the outcome of the interview and whether or not a candidate had been appointed.

In addition to a representative from the Association, the Committee consists of representatives from the Government of Assam, the Principal of the Cotton College, Gauhati, and two representatives of the Gauhati University.

It was expected that a further meeting of the Board will take place early in 1961.



(b) *West Bengal.*—In pursuance of the decision taken at the meeting of the 9th Session of the Industrial Committee on Plantations held in October, 1959, the Government of West Bengal decided to set up a Committee of eight persons to assess the employment position in plantations. The Association was allotted one seat on the Committee which was filled by Mr. T. J. Mathias, the Additional Adviser. When Mr. Mathias went on leave in September, 1960, Mr. P. Crombie was nominated to take his place on the Committee. The Committee held three meetings during the year under review and prepared a draft questionnaire for issue to tea garden managers. The draft has not yet been finalised.

In pursuance of the Agreement which was reached on the 22nd September, 1960 between the Association, the Indian Tea Planters Association and the Dooars Chai Bagan Mazdoor Sangha, to which reference is made in another section of the report, a joint representation was addressed to the Government of West Bengal on the 15th October suggesting that when the Works and Buildings Department and other Departments of the Government of West Bengal were engaged on public works in the Jalpaiguri District, they should give preference in employment to unemployed labourers resident on tea gardens. It was also suggested that a clause should be included in contractors' agreements with Government that such preference should be given to employing labour from tea gardens.

**Land Requisition in Assam.**— In last year's report it was recorded that a Special Sub-Committee had been appointed by the Association to prepare a list of surplus land on tea gardens in Assam for offer to Government for requisition. This list was eventually finalised and forwarded by the Shillong Adviser to Government in April, 1960. In forwarding the list to Government it was suggested that the lands offered should not be requisitioned indiscriminately but that wherever District Officers needed to requisition land from tea estates for settling landless persons, they should select suitable land from out of the list and proceed to requisition it according to law and subject to the prescribed rates of compensation.

On the 30th June, 1960 the Shillong Adviser was asked by the Chief Minister of Assam to discuss the Association's offer. At the interview the Chief Minister indicated that Government had been under the belief that tea gardens would be surrendering land surplus to their requirements and not merely offering them for requisition. It was suggested that the procedure for requisitioning was cumbersome and involved needless work and would also result in additional expenditure for Government. Tea gardens had received their lands from Government many years ago for a specific purpose on low terms and as the land had not been utilised for that purpose it should be handed back to Government without endeavouring to make a profit.

The Shillong Adviser indicated that the Association was under the impression that members were being asked to offer land to Government for requisition and that where objections had been waived there would be no appreciable work in the process of requisition and that the expenditure involved for Government would be extremely small. The compensation which might be received by gardens would in many cases be useful to the Companies which were in financial difficulties. In any case if Government desired that the lands offered should be surrendered it would be necessary to refer back to the Boards in Calcutta and London as the offers had been made on the assumption that some compensation would be received.

This problem was discussed with sterling interests by the Chairman during his visit to London and it was generally felt that it would be unwise for land to be surrendered until compensation had been received for land which had already been requisitioned. No further developments have taken place and the position rests as described above.

**Compensation for Land Requisitioned for Oil Drillings and Railway Extensions.**— As a result of the number of oil wells being sunk on tea estates and plans for railway extensions, the Association during the year gave detailed consideration to the rates of compensation which should be claimed for land requisitioned for these purposes.

Meetings of the Tea Control and Cost of Production Investigation Sub-Committee were held and calculated tables of compensation rates issued to members showing—

- (1) Suggested rates of compensation per acre of replaceable tea based on three categories of replacement costs, three levels of profits and three levels of yields ;
- (2) Suggested rates of compensation per acre for non-replaceable areas at various yield levels on the basis of 20 years' loss of revenue.

While it was considered that it was preferable to claim compensation at a rate of so much per acre, rates of compensation per bush, both for replaceable and non-replaceable areas, were also worked out and sent to members. These statements appear in the appendices to this report.

Once these rates of compensation had been approved by the General Committee, negotiations were opened with the Assam Oil Co., Ltd. and at the time of writing this matter is still under consideration. Similarly negotiations are also being held by the A-sam Branch Indian Tea Association with representatives of the Government concerning land being requisitioned for railway extensions.

Land and property—other than tea bearing land—has been left for direct negotiation between individual companies and those concerned.

#### **Introduction of the Metric System of Weights and Measures.--**

As agreed last year the metric system was introduced in the tea industry with effect from the 1st March 1960 and in the trade from the 1st April, 1960. A number of changes followed upon the application of the new system and are as follows : -

*Weighing Scales.*—The notifications which made the metric system applicable to the tea industry and trade, provided for an interim period of one year during which it would be permissible for avoirdupois scales, weights and measures to be used while action was being taken to recalibrate them or replace

them by new ones. The Tea Board announced that they would sponsor applications for the import of new spring balances to replace balances which were over two years old and tea estates were asked to place their orders immediately with established importers on this basis. The Weights and Measures (Enforcement) Acts which were brought into force by the Assam and West Bengal Governments stipulated that weighing instruments could only be used if they had been verified or reverified and stamped by Government inspectors and members were therefore advised to ensure that they purchased their new scales from licensed manufacturers and that recalibration work was entrusted to licensed repairers. It is understood that on tea gardens the conversion of weighing machines and scales to the metric system has been completed.

*Marking of Chests.* In last year's report it was mentioned that the Indian Tea Association, London, had agreed that when the metric system was brought into force, tea chests should be marked in kilograms only provided that one panel of each chest was kept entirely free from marks for the use of U.K. buyers. In pursuance of this agreement members were asked to leave one of the side panels free from marks and to continue to mark the top and bottom panels in accordance with the accepted method of marking except that the weights should be expressed in kilograms to the nearest .2 of a kilogram.

*Excise documentation.* The excise authorities agreed that until the metric system was applied to Excise Duty tea gardens could maintain all their excise records in the metric system provided that all assessment and clearance documents as well as the returns were written up in both the metric system and the foot-pound system. In pursuance of these instructions tea gardens were advised to make a single conversion on the invoice from kilograms to pounds of the total weight of dutiable tea being cleared at the time of clearance from the factory.

*Fertiliser supplies.* The fertiliser suppliers announced that with effect from 1st April, 1960 they would supply fertilizers in bags of 50 kilos and 62.5 kilos gross weight.

*Foodgrains.*—The Association authorised Messrs. Steel Brothers & Co., Ltd. to apply the metric system to the Pool accounting procedure with effect from the commencement of the new Pool year viz. the 1st November, 1960.

In Darjeeling the ration scales were altered with effect from the 1st November, 1960 as follows :—

Worker : from 3 srs. 8 chs. to 3.3 kilos.

Adult dependent : from 2 srs. 10 chs. to 2.5 kilos.

Minor dependent : from 1 sr. 5 chs. to 1.2 kilos.

Similar scales were adopted by the Terai Planters Association with effect from the 1st January, 1961.

In the Dooars the ration issues were converted into their exact equivalents in the metric system.

No changes were made in Assam.

**Foodgrain Supplies—1960.**— Messrs. Steel Brothers & Co., Ltd. continued to act as the Association's Agents for the procurement of foodgrains for tea gardens in West Bengal and in Assam and during the foodgrain year ended the 31st October, 1960 they delivered 55,000 tons of grain to tea estates as follows :—

	Rice	Wheat
Assam	16000 tons	4000 tons
Bengal	18000 tons	17000 tons
	<hr/> 34000 tons	<hr/> 21000 tons

(a) *Bengal.*—Small purchases were made at the beginning of the year in the open market but prices hardened unexpectedly towards the end of January. When the local market rate exceeded Rs. 20/- per maund at Siliguri, purchases were stopped and supplies required were obtained from Government sources in Calcutta. Some small purchases had to be made, however, at up to Rs. 23/78 per maund to fill in gaps pending the arrival of Government rice. In July prices eased unexpectedly and

thereafter showed a steady decline instead of the usual increase which is expected during the monsoon. By the end of October rice was available in small quantities in Siliguri at about Rs. 19/- per maund but there were no buyers. This unusual trend in the market, it is understood, was partly caused by traders taking up large quantities in anticipation of selling to the Association at a substantial profit but the Association's action in obtaining rice from Government defeated this plan and the early decline in the market can be attributed to these sellers off loading to cut their losses.

Wheat was freely available throughout the year.

Wagons were frequently difficult to obtain and at one time despatches were in danger of falling seriously behind. Special representations to the authorities led to the allotment of extra rakes in April and May and although the sudden spate of arrivals caused transport and handling difficulties at the garden stations these were overcome and the programme was successfully completed.

*Assam.* Throughout the year prices in the local markets ruled at a relatively low level and in most cases the labour force preferred to buy outside instead of taking grain from the garden godown. In consequence the rice offtake in circles served by Messrs. Steel Brothers amounted to only 11,500 tonnes or a little over half that of the preceding year. With the exception of 5,500 tons of rice despatched from Calcutta, all the supplies needed were purchased in Assam. The Government procurement machinery was somewhat cumbersome and the rate of movement was very slow, being further hindered by a lack of wagons from time to time and also by adverse river conditions.

Wheat and Atta were readily available in the local markets at prices far below the Association's selling prices and in consequence the demand for wheat was almost negligible, issues for the whole year being only 2,800 tonnes. In the Surma Valley the supply position was also easy and except for the urgent import of 500 tonnes of rice from Central Government

stocks in Calcutta all the supplies needed were obtained locally. Offtake throughout the year was at a low level and closing stocks held by gardens were adequate.

**Coal Supplies.**— The coal requirements of member gardens in North Bengal, Cachar and Assam Valley for 1960 were.—

65,363 tonnes for North Bengal gardens (Dooars, Terai and Darjeeling).

19,475 tonnes for Cachar gardens

115,329 tonnes for Assam Valley gardens.

Coal for North Bengal gardens was transported by two separate routes, the All-India rail route via Garhara and the Indo-Pakistan rail route via Haldibari. Despatches were made by block rakes of 60 broad gauge wagons each. It was originally hoped that a substantial portion of the coal requirements of North Bengal gardens would move by the All-India rail route via Garhara but in actual practice it was found that the spare capacity of the All-India route was not adequate enough to transport more than a small quantity of the Industry's requirements. The total quantity of coal despatched during the year was approximately 72,000 tonnes, of which 14,000 tonnes moved over the All-India route.

Great inconvenience was experienced throughout the season by the commandeering of tea garden coal consignments by the N. E. Railway en route to the gardens, particularly as this practice was resorted to without any intimation to the consignee. The total quantity of coal seized by the Railway was approximately 8,000 tonnes. Although a large proportion of this coal has since been replaced, the quality, in many cases, was lower than that taken over and, in certain cases, consisted mostly of dust.

As in the previous year, Messrs. Steel Brothers & Co., Ltd., continued to undertake the task of the inspection of coal consignments at the transhipment point at Haldibari and to report on the quality on the Association's behalf. Reports on con-

signments containing an unduly high percentage of dust were passed on to suppliers for investigation and, although these measures have not resulted in the elimination of dust entirely from consignments of coal booked to tea gardens, there are indications that the quality of coal supplied to gardens in North Bengal during 1960 was much better than that supplied in the previous year.

In the past the Industry had been allotted Selected Grade "B" coal for manufacture purposes but in June, information was received from the Coal Controller that the Ministry of Steel, Mines and Fuel had decided to revise the grade of coal to be supplied to the tea industry from Selected Grade "B" to Grade I. Representations were immediately made by the Association to the Coal Controller through the Tea Board protesting against the down-grading of the industry's coal supplies but although there was no indication of Government's willingness to reconsider this matter, the Coal Controller, in view of the difficulties pointed out to him, agreed that the industry should, for the time being, continue to receive its supplies of coal from Selected Grade "B" collieries.

The accumulation of stocks for the coming season is proceeding satisfactorily. Despatches against 1961 commenced in the first week of September, 1960 and up to the end of January, 1961 some 40,000 tonnes had been despatched.

Supplies to Cachar gardens, as in the previous year, were from Assam Collieries but as usual, despatches did not keep pace with manufacturing requirements and arrangements were made for supplies of Bengal coal. The main difficulty in supplying coal from Assam Collieries to the Surma Valley is one of transport. Only a limited number of wagons can operate on the hill section of the railway and almost all the available wagons are utilised by the N.E. Railway. Early in April the Coal Controller was requested to sanction the release of 15,000 tonnes of Bengal coal for Cachar to make up the expected shortfall in deliveries from Assam. The Tea Board recommended the release of 10,000 tonnes, but the Coal Con-



gardens for the procurement of small quantities of cement (less than a wagon load). When approached, the stockists were unable to supply the cement without the permission of the Controller of Civil Supplies or the Director of Consumer Goods. The Association hopes that a simplified procedure will soon be introduced which will eliminate the difficulties encountered by tea gardens in obtaining small quantities of cement.

Unfortunately the improvement in the supply position of cement during the previous year was not maintained during 1960. In the fourth quarter, the quota for the tea industry was reduced to 55.67% of the total demand and the shortage of cement is attributed to the increased demand by consumers. It was further understood that Government is encouraging exporters of Indian cement to build up their connections overseas.

There was also delay in the execution of supplies against authorisations issued due to the low priority given to tea gardens. Complaints have been received recently that deliveries of cement against authorisations issued for period III/60 are still awaited. In view of the increase in demand for cement, the Regional Cement Officer found it necessary to work out a basis of priority for the various categories of consumers and coal and tea were number seven on the list.

The total tonnage of cement allotted for the various periods against the demands submitted by the tea industry was as follows :—

	Demands	Allotments
	Tonnes	Tonnes
Period I	5,831	5,831
Period II	4,648	4,648
Period III	7,596	7,596
Period IV	13,282	7,395
Total -	31,357	25,470

The quantity allotted was equivalent to approximately 81% of the total demand of the industry as compared with 95% allotted in the previous year.

**Fertilisers.**— Because of the general shortage of fertilisers in the country, the tea industry has not received its full fertiliser requirements during the past few years and, as the position did not improve in 1960, this subject naturally received much attention from the Association during the year. In February the Association addressed the Chairman of the Tea Board on the subject and asked for the Board's assistance in ensuring that for the 1960/61 season the industry received a prompt and adequate fertiliser allocation. The minimum requirements of the industry in North East India were assessed by the Association at 65,000 tons of sulphate of ammonia, and it suggested that it would in fact be desirable to grant an even larger allocation than this if individual tea companies indicated their willingness to take more. Without adequate fertilisers, the Association claimed, the industry would be unable to achieve the production and export targets proposed under the Third Five Year Plan; and at the present juncture increased applications of fertiliser were more than ever necessary because of the adverse effects on production of the unprecedented drought which affected North East India at the beginning of the 1960 tea season.

In April the Tea Board announced that the industry in North East India would receive an allocation of 65,000 tons of sulphate of ammonia for the 1960-61 season, but this was immediately denied by the Ministry of Food and Agriculture, who maintained that the figure of 65,000 tons was only a quota, that the supply position had not improved over the past year, and that in fact the industry was unlikely to receive more against its quota than the 51,000 tons which it had received during the previous season. Thereafter, and indeed during the entire remainder of the year, the Association took every possible opportunity of impressing upon Government the serious consequences of depriving the tea industry of its minimum fertiliser requirements; the matter was represented in the strongest terms to the Tea Board, the Association's Chairman and other officers repeatedly visited New Delhi and discussed the subject with ministers and senior Government officials, and approaches were even made to the World Bank to seek assistance in obtaining

foreign exchange which would enable additional fertiliser supplies to be imported. At the end of May the Tea Board announced that the industry's basic quota had been fixed at 70,500 tons of sulphate of ammonia, against which a quantity of 51,000 tons, equal to 72.5% of the quota, was now released, distribution being on the basis of consumption during the 1957/58 season. The Association continued to urge that a release of 51,000 tons was entirely adequate, and in due course Government held out hopes that it might be possible to grant additional quantities as the result of a barter deal which was being arranged with overseas supplying countries. Later, although the tea industry's case had been strongly supported by the Ministry of Commerce and Industry and it was specifically to assist tea that this Ministry had promoted the conclusion of the barter deal, it transpired that if additional fertiliser were obtained it would have to be shared with other consumers, and that tea was unlikely to obtain more than a further 10,000 tons of sulphate of ammonia. Even this additional allocation was denied the industry, however, for the Ministry of Agriculture subsequently proposed, despite the Association's protests, that tea should be granted 12,000 tons of ammonium sulphate nitrate and 1,000 tons of urea. Again, even this was only a proposal which did not result in positive action. At the time of writing the industry has not in fact received any further fertiliser supply beyond the original release of 51,000 tons and there is no definite assurance that further supplies will be made available.

In May the Fertiliser Distribution Enquiry Committee, which had been appointed by the Government of India mainly to examine the methods of assessing fertiliser requirements and the channels of distribution, visited North East India and representatives of the Association, led by the Vice-Chairman, met the Committee in Calcutta, subsequently placing the Association's views before it in a written memorandum. In addition, officers of the Association's Scientific Department met the Committee at Tocklai, in company with senior planters in Assam. The Association explained the importance of adequate fertiliser applications to the Committee and urged that North

East India's minimum requirements were 71,000 tons of sulphate of ammonia. Criticism was made of the practice of allocating supplies on the basis of consumption in 1957-58, since there was nothing to indicate that the consumption pattern in that year was an ideal one and the policies of many companies with regard to the application of fertilisers had probably changed since that time. The Association also urged that the tea industry should be supplied with its fertilisers at the same price as applied to the general agricultural quota, both because of the vital part tea had to play in the country's export drive and because an equalisation of prices between tea and agriculture would prevent the illicit diversion of fertilisers from general agricultural purposes.

As regards the method of allocation, the Association initially had it in mind that optimum rates of application might be worked out for the different districts in North East India by the Tocklai Experimental Station and agreed with the Tea Board, after which supplies could be distributed within each area on the basis of acreages. Owing to the wide diversity of circumstances on different estates, however, this system did not in fact prove feasible and, after considering various alternatives in consultation with Tocklai, the Association came to the conclusion that the fairest method of distribution would be on the basis of acreage combined with production (the highest annual production of the previous 5 years being taken for this latter purpose). The Association proposed to the Tea Board that this method of distribution should be adopted if additional fertiliser supplies did become available; but, since further allocations have not in fact been made up to the time of writing, the question has not in practice arisen.

**Tea Chests.**— The Tea Board continued to keep a watch over the quality of tea chests arriving at the Calcutta Warehouses and to draw the attention of the industry to the defects which were reported by the brokers. The Association passed these reports on to members.

The enquiry which had been instituted by the Development Wing of Ministry of Commerce and Industry into the suitability

of Gurjan (*Dipterocarpus spp.*) for the manufacture of tea chest panels was proceeded with during the year. The Tea Board asked that two chests which had been found in London to contain tainted teas should be returned to India for examination by the Forest Research Institute together with samples of the tea. This request was passed on to the Indian Tea Association, London who referred the matter to the Tea Buyers Association of London. It is understood that some tea chests have since been sent to the Forest Research Institute by the Tea Buyers Association and that the samples of tea have been examined at Tocklai Experimental Station. The reports on these tests are awaited.

Following the receipt of a complaint from a member that a tea garden manager had received very inferior stamped tea chests from an approved manufacturer the Association asked the Tea Board to investigate whether there was not some defect in the system of inspection and stamping of tea chest panels, as clearly the whole object of the system would be defeated if inspecting officers carried out their duties in a perfunctory manner. The member concerned has since been asked to send the defective chests to the Development Wing of the Ministry of Commerce and Industry, who will carry out the enquiry.

In the Association's report for 1957 it was recorded that the Association had supported a proposal put forward by the Tea Board for the registration of manufacturers of tea chest battens. In a circular issued in March, 1960 the Development Wing of the Ministry of Commerce and Industry announced that they had allotted distinctive numbers to all tea chest batten manufacturers and that in future tea estates should make it a condition of the contract that all battens supplied should bear the manufacturer's distinctive mark and conform to ISI specification No IS:10:53. It was also suggested that tea estates should introduce a system of inspection by suitably trained staff.

The Association welcomed the action taken by Government to register the manufacturers of tea chest battens and

enquired whether there was any scheme in existence for the training of inspectors because it was unlikely that any of the present staff on tea gardens would be able to undertake the inspection work suggested by the Development Wing and in the absence of such inspection it would not be possible to enforce the condition of the contract which required supplies to be in conformity with the ISI specification.

In reply the Development Officer suggested through the Tea Board that the Industry should arrange for the training of its own staff on a co-operative basis.

This suggestion was not acceptable to the Association and the Tea Board was advised that while members would stipulate, when placing orders for battens, that quality should conform to ISI standards and that the manufacturer's distinctive numbers should be stamped on the battens, it would remain the responsibility of the Indian Standards Institution and the Development Wing to inspect manufacturers periodically to ensure that the ISI standards were being maintained. When obviously inferior battens were received managers would ask the Forest Research Institute to examine and report on the supplies both to the garden and to the Development Wing so that suitable action could be taken against the manufacturers.

**Tea Chests : Protection to the Tedigereus Manufacturing Industry.**

In April, 1960 the Tariff Commission announced that it was carrying out an investigation into the question of continuance of protection to the plywood and tea chests industry beyond the 31st December, 1960 and the Association was asked for information under the following heads:—

- (1) The Commission wished to have an estimate of domestic demand for plywood and tea chests in terms of a standard size chest 19" x 19" x 24". The Association replied that the consumption of tea chests depended on the production of tea and might be expected to rise from about 6.9 million chests to about 7.3 million chests during the next three years.

- (2) The Commission asked how the price of the indigenous chest compared with that of the imported one. In reply the Association stated that prices for tea chests were fixed by the Manufacturers Associations and at that time were

The Plywood Manufacturers Association of India	...	Rs. 6/75 per set.
South Indian Plywood Manufacturers Association	...	Rs. 6/50 per set.

These rates could be compared with a quotation of 7/11d (Rs. 5/28) per set c.i.f. Calcutta recently received from London.

- (3) The Commission asked to be informed of the steps taken to ensure the proper assembly of chests. The Association reported that tea chests were assembled by box-makers under the supervision of the management. The Brokers advised clients if there were faults in assembly when the teas came up for auctions and buyers also complained or disregarded the teas offered if the assembly of the chests was not up to the required standard.
- (4) The Commission asked for the Association's views on the desirability of continuing protection to the tea chest industry beyond the 31st December, 1960. The Association stated that while it had no objection to the Plywood Tea Chest industry continuing to receive protection it was thought that a discontinuance of protection would probably result in a reduction in the prices of tea chest panels not through any lowering of standards of production but by an enforced improvement in the efficiency of the manufacturing units. It was also suggested that some imports should be allowed to provide an incentive to the indigenous manufacturers to maintain and improve the standard of their products.

In response to further enquiries received through the Tea Board the Association indicated that members had purchased their tea chests from approved manufacturers and that they had been able to obtain all their requirements, though perhaps not entirely in accordance with their despatching instructions. The quality of indigenous chests was reasonably good but complaints had been made that teas were tainted by chests made from Gurjan (*Dipterocarpus spp.*) panels. This complaint was being investigated by the Forest Research Institute.

**Supplies of tinplate waste for tea chest fittings.—** A matter which caused the Association some concern was the Government of India's decision on the grounds of the lack of foreign exchange to reduce the quota for the import of tinplate waste for the period October, 1959–March, 1960 to some 1,125 tons, which was only 12½% of the quantity recommended by the Director of Industries. Manufacturers of tea chest fittings had reported to the Association that this quota would be inadequate and unless other supplies were arranged the tea industry could expect to experience a shortage of fittings during the year. The Association accordingly urged the Tea Board to investigate the position and to press Government for a larger quota of imports of tinplate waste.

Strong representations were made by the Tea Board to the Government of India and as a result the Ministry of Finance made an advance foreign exchange allocation available which enabled the Iron and Steel Controller to issue supplementary licences in favour of importers of tinplate secondaries. A crisis was thereby averted.

**Import of Tea Garden Machinery.—**In a Public Notice dated the 31st March, 1960 the Chief Controller of Imports and Exports announced that with effect from the 1st April, 1960 annual licensing would be introduced in respect of the requirements of machinery for the tea industry and also in respect of spare parts for such machinery. As this arrangement was likely to inconvenience members especially in the matter of



spare parts, the Association asked the Chief Controller to reconsider his orders and to issue licences as in the past twice a year. It was pointed out that an annual licensing procedure would be unsatisfactory because it was impossible for members to foretell what machinery or replacement parts would be required by them during the period of a whole year. In the circumstances it would be necessary for them to apply for licences on the basis of assumed contingencies and with a view to safeguarding themselves against emergencies to include a high proportion of spare parts. This would mean that the value of the licences applied for might be higher than circumstances ultimately warranted and very much at variance with actual requirements. In view of the current foreign exchange difficulties, such an arrangement could not be in the interests of Government and ought to be modified. The Chief Controller accepted the Association's contentions and agreed to issue licences for tea garden machinery and spare parts on a half yearly basis.

The Association also put forward to the Tea Board a suggestion that tea companies should be granted blanket licences to cover the import of spare parts for tea machinery, the value of the licences being calculated on the basis of Rs. 10 per hectare of the estate's acreage. This suggestion was made with a view to obviating the delays which had been experienced in obtaining licences for the import of spare parts. The Tea Board, however, were unable to accept the Association's scheme but gave an assurance that they would deal with all applications for licences with the utmost expedition.

**Irrigation Equipment for Tea Gardens.**— As a result of drought conditions experienced during the earlier part of 1960 some members had examined the possibilities of artificial irrigation on their tea estates and an enquiry by the Association revealed that there was a fair measure of general interest in this matter although Companies could not give very firm estimates of how much they would be prepared to spend on irrigation equipment, should such equipment become more generally available.

Irrigation equipment, namely piping and sprinklers are not at present manufactured in India and supplies have to be imported. In August, the Association lent its support to a representation made by the Indian Tea Planters Association to the Tea Board for a more liberal policy towards the import of sprinklers which some of their members wished to import with assistance from the Board's Hire Purchase Scheme.

The Association itself investigated the possibility of using "Alkathene" black pipe for irrigation purposes but this piping is only available in sizes up to 2" in internal diameter whereas the technical advice received by the Association indicated that tea irrigation could only be carried out economically with piping of not less than 6" internal diameter.

**Supply of Natural Gas and Power from Naharkatia.**— Natural gas, apart from being one of the simplest and most readily convertible raw materials for the chemical industry, is also a convenient form of fuel both for domestic and industrial use.

With this in view, a project report for installing three generating units at Naharkatia, utilising the natural gas which would be available when the refineries at Gauhati and Barauni started working, was made known to the industry at a meeting of the Assam State Electricity Consultative Council. Subsequently Government accorded sanction to the first phase of the Naharkatiya gas grid. It is expected that the line will run from Naharkatiya to Tinsukia, and from Tinsukia branches will go to Dibrugarh and to Doom Dooma. The intention of Government is that the pipeline should be aligned in such a way as to ensure the maximum offtake from tea gardens in the areas served.

The Government of Assam asked the Association for suggestions regarding the alignment of the contemplated pipeline in the Assam Valley, but since the subject was a new one to the industry, and little information was available regarding the ways in which natural gas might be utilised, its costs and its advantages, it was necessary for the Association to obtain expert advice. It was agreed to discuss this matter with Mr. D.

W. Tull during his visit to India in June and general discussions took place on this matter with him. Mr. Tull also discussed the position with representatives of the Assam Oil Company Ltd. and Oil India Private Ltd. As a result of these and other discussions, it was agreed that a pilot scheme should be started by connecting gardens in the Tingri area to the Assam Oil Company's own mains. The Association is in correspondence with the oil company over the estates which should eventually be used in this experiment; but in the meantime, Oil India has agreed to supply gas to an estate nearest to its area of operations. In due course the Association will receive a report on that experiment after which it is hoped that it may be possible to supply gas to other companies.

The Association has also been in correspondence with certain engineering companies concerning the adaption of tea machinery for supplies of natural gas and references have also been made to Mr. D. W. Tull on this subject.

**Transport.**— The year under review was an unusually difficult one for the Joint Steamer Companies. The severe drought conditions which prevailed in the early part of the year brought the rivers to exceptionally low levels. The floods which followed later were the highest in eight years and they so disturbed the river channels that in the ensuing low water season shoal conditions occurred in four major areas on the Assam route. The services were also affected by the Central Government strike and the civil disturbances which occurred in Assam in July. The consequences of all these factors was a loss of 8% in operational days during the year and a like percentage of carrying capacity.

In view of the difficulties enumerated it was necessary for the Steamer Companies to restrict acceptances at the steamer ghats upcountry from time to time and the Association asked members to co-operate with them in this matter. This led to a certain amount of congestion at the gardens but Steamer Companies were able, by the end of the year, to clear the backlog which had occurred. The total quantity of tea shipped from both valleys was 26,06,073 chests.

The movement of stores, especially fertilisers and tea machinery, proved to be a more difficult problem and, towards the latter part of the year, the Association's Supplies Sub-Committee held several discussions with representatives of the Steamer Companies on this subject. The Steamer Companies stated that generally speaking there was more cargo moving to Assam than the available transport could move and that as far they were concerned all that could be done was to divide the cargo offering as fairly as possible. Priority would be given to the movement of tea garden stores during the cold weather and it was hoped that all the cargo offered which, on the basis of the bookings already registered amounted to some 16,500 tons, would be moved to the tea districts during the months of January (6000 Tons) February (6000 Tons) and March 1961 (4500 Tons). In view of the pressure on space the Steamer Companies asked Tea Companies to send to them full details of their pending and forward consignments so that efforts could be made to provide the space required as early as possible. They also suggested that the Association should press the Government of India to increase the transport capacity to Assam in order to help to remove the present difficulties which might be further aggravated by the expansion of industry in Assam.

A total of 43,880 tonnes of stores were delivered during the year for tea gardens in the membership of the Assam Branch.

The Traffic handled by the railways on most sections in Assam increased and there a very marked improvement in the value of goods moving over the Link. For a limited period Naga unrest restricted rail movement in Upper Assam and widespread dislocation occurred on account of the disturbances over the linguistic issue. The decline in the daily average of tea wagons was entirely due to the smaller crop on account of the drought.

The movement of tea from the Dooars by rail was also affected by the floods which caused minor breaches on the line. Bookings to Calcutta were suspended for varying periods and as this suspension coincided with the peak of the season, severe

congestion occurred on estates in the Dooars and Terai. The Railway authorities offered to move teas to Calcutta via Garhara but, as this involved a substantial increase in the freight charges, estates were somewhat reluctant to book their teas by this route which soon became congested. It was not until the end of October, when the railways made arrangements for teas to be moved from the Dooars area at a rate of 40 wagons daily via Bhagalpur that some relief was obtained. By the end of the year the position had eased.

The supply of wagons on the via Dhubri route was inadequate and, although there was a theoretical quota of five wagons a day for stations east of the River Diana, some stations were allotted no wagons at all in November, 1960 and only four wagons arrived at Dhubri from the Dooars throughout that month. With the impugment of the Assam Carriage Tea Act, it is anticipated that the via Dhubri route will be used to a greater extent in 1961 by gardens in the Eastern Dooars and the Association has therefore asked the North-east Frontier Railway to ensure that sufficient wagons are placed for the movement of tea to Calcutta by this route.

The Association is represented on the Northeast Frontier Zonal Railway Users Consultative Committee by the Shillong Adviser, Mr. J. S. Hardman and on the Western Regional Railway Users Consultative Committee by Lt. Col. E. S. E. Rennie, the Secretary of the Darjeeling Branch and Mr F. D. Bayly of Messrs. Steel Brothers & Co. Ltd., Siliguri.

**Tea Carriage Agreement.**— It was mentioned in the report for the year 1958 that after discussion it had been agreed that the Joint Steamer Companies would draw up an amended Tea Carriage Agreement—the present Agreement being out of date—and submit it to the Association for consideration.

Early in the year a copy of a draft new Agreement was received and was studied by the Supplies, Transport and Freight Rates Sub-Committee. The main objection raised was that in Clause 3 it was laid down that a signatory to the Agreement should on no account ship any cargo by any form of river ser-

vice except by the Joint Steamer Companies. The only relaxation was that 2% of despatches of the total crop moved by the garden could be sent by airfreight.

It was considered to be unwise for the industry to be bound by such a stipulation and, after discussion with the Joint Steamer Companies, it was eventually agreed that should a signatory wish to resort to carriage other than by the Steamer Company service, such an arrangement would not be a breach of the terms of the agreement provided that despatches by other means did not exceed 5% of the total tea despatched by the tea company concerned which could be calculated on an agency-wise basis. This percentage would not, however, be despatched by river other than in vessels of the Joint Steamer Companies.

A further provision which was added on the recommendation of the Association was a clause to bring greater pressure to bear on companies to remove their consignments of tea from the despatching berths as expeditiously as possible.

It was agreed that this provision – an addition to Clause 11 – should read as follows –

“The Tea Companies must arrange for the removal of the consignments, when such removal is necessary, as expeditiously as possible. In emergent circumstances tea (other than those destined for direct shipment) which are lying at the arrival points, may be removed, after a period of 6 working days (plus 48 hours’ notice) without order, by the Joint Steamer Companies, to the public warehouses, always provided that space therein is available”.

Copies of the final approved Agreement were sent to Agency Houses for signature by the Steamer Companies and the new Agreement – a copy of which is reproduced in the appendices to this report—will become effective from 1st April, 1961.

**Excise Duty on Tea.**— (a) *Regional Excise Advisory Committees.*—The Regional Advisory Committees on excise matters, set up by the Central Board of Revenue at Calcutta and

Shillong, continued to function during the year. Sir Richard Duckworth, Bt. of Messrs. James Warren & Co., Ltd., who represented the Association through the Bengal Chamber of Commerce and Industry on the Calcutta Committee, resigned in October, 1960 and was replaced by Mr. M. R. Smith of the same Company. The Shillong Adviser continued to represent the Association on the Shillong Advisory Committee.

(b) *Introduction of the Metric System.*—the metric system of weights and measures was introduced in the tea industry on the 1st March, 1960 from which date all weighments of tea were expressed in terms of kilograms.

Although the Government of India had decided to postpone the application of the system to Customs and Excise duties, the excise authorities agreed that tea gardens could maintain all their excise records in the metric system provided that all assessment and clearance documents as well as the returns were written up in both the metric system and the foot/pound system. In pursuance of these instructions tea gardens were advised to make a single conversion on the invoice from kilograms to pounds of the total weight of dutiable tea being cleared at the time of clearance from the factory. In the case of U.K. teas, it was recommended, for the convenience of London buyers, that separate slips should also be attached to the invoices giving the pound equivalents of the metric weights of individual breaks. The new procedure was introduced fairly smoothly but several disputes with excise officers in Assam were reported over the conversion of the kilogram weights to pounds. On examination it was found that tea gardens were converting their kilograms to pounds with the help of the conversion tables issued by the Association under Circular No. 28 of the 16th March 1960, whereas the Excise authorities were using the conversion tables issued by the Indian Standards Institution. As the two tables had different degrees of accuracy, discrepancies arose and led to disputes. The matter was accordingly referred to the Collector of Central Excise, Shillong, who agreed that in future all conversions from kilograms to pounds should be made with the help of the official tables prepared by the *Ad Hoc* Committee of the Tea Board.

The metric system was applied to Customs and Excise duties with effect from the 1st October, 1960 and by a notification No. GSR. 1134 issued on that date the Government of India altered the rates of excise duties as follows :—

Zone I ... from 2 nP. per lb. to 4.5 nP. per kg.

Zone II ... from 4 nP. per lb. to 9.0 nP. per kg.

Zone IIIA... from 8 nP. per lb. to 18 nP. per kg.

Zone IIIB... from 12 nP. per lb. to 27 nP. per kg.

The new rates involved an increase in tax, which on the basis of the 1958 production was estimated at over nine lakhs of rupees, and the Association expressed its regrets to the Government of India that, in the admitted interest of a symmetrical duty, such increases had been imposed on the Industry.

(c) *Storage of tea in emergencies.* Under the excise regulations excisable goods, which cannot be removed after the payment of duty because of the non-availability of wagons etc., may be stored in separate parts of the licensed premises with the permission of the factory inspector. The inspector is not authorised, however, to allow storage in any place which is outside the licensed premises, even if the accommodation is within the garden premises; this power being in the hands of the Deputy Collector.

During the year, owing to the suspension of railway bookings for a considerable length of time, tea factories became congested and a member garden in the Terai was put to considerable inconvenience because the factory inspector was unable to allow the storage of tea in an unused godown on the garden owing to the fact that the godown was outside the licensed premises and permission had to be sought from the Deputy Collector which involved some delay. The Association has therefore suggested to the Collector of Central Excise that, in emergencies, the factory inspector should be authorised to allow the storage of tea in any suitable godown within the garden premises, subject if necessary to the later formal approval of the Deputy Collector. The Collector's orders are awaited.



(d) *Supply of fire extinguishers for Excise Offices on Tea Estates.* Following the issue of demands by the Excise authorities for the installation of fire extinguishers in Excise Offices on all tea gardens, the Association addressed the Collector of Central Excise, West Bengal, pointing out that the Excise regulations did not appear to place any obligations on tea gardens to supply such equipment and that in any case the excise office being part of the tea estate's property was covered by the fire fighting arrangements of the garden itself. In reply the Collector stated that the requests for fire extinguishers had been made because his department had an obligation to take adequate measures for the protection of Government property and records. If estates had any objections to the supply of such equipment they were at liberty to say so. The Association accordingly recommended that tea estates, who were asked to provide fire extinguishers, should advise the Excise Department, unless they were prepared to supply the equipment, that

- (i) the Central Excise Office was covered by the fire fighting arrangements of the garden itself or
- (ii) the garden was unwilling to supply fire fighting appliances for the Excise Office and that these should be provided by the Excise Department.

(e) *Destruction of Tea Waste.*—The destruction of tea waste on a garden may only be carried out under the supervision of an Excise Officer but the quantity which may be destroyed at any one time depends on the rank of the officer present. With increasing crops, the quantities of tea waste produced on gardens have increased with a result that the amounts to be destroyed often exceed the Factory Inspector's quota and it is necessary to call upon senior officers to supervise the destruction of stocks. As these officials are naturally not so easily available, stocks of waste tend to accumulate causing congestion and inconvenience to the gardens. The Association therefore sought the assistance of the Chairman of the Tea Board to persuade the Central Board of Revenue to increase the quotas of the Excise Officers especially the Factory Inspector but the Government of India were unwilling to relax their present orders

Instructions were issued however to Collectors of Central Excise in the following terms:—

“In order to facilitate expeditious disposal of tea waste, the Board desires that a schedule of visits for this purpose to the tea factories by various officers may be drawn in consultation with the Tea Association, so that the visits of these officers are so planned that unnecessary correspondence in connection with destruction of tea waste is automatically avoided.”

These arrangements have improved the position but individual cases of hardship continue to be reported from time to time.

Under the Excise regulations the Manager of a tea estate was required to supervise the destruction of tea waste stocks personally. At the instance of the Association, however, the Collector agreed that tea waste could be destroyed in the presence of the manager, the assistant manager or any other officer authorised by the manager to supervise the operation.

**Regional Advisory Committee on Land Customs matters.**—The Association was represented on the Regional Advisory Committee on Land Customs matters through the Associated Chambers of Commerce of India by Mr. N. P. Goenka of Messrs. Octavius Steel & Co., Ltd.

**Export Duty on Tea.**—The metric system was applied by the Central Government to Customs duties and cesses with effect from the 1st October, 1960, by means of the Customs Duties and Cesses (Conversion to Metric Units) Act, 1960. This Act empowered the Government of India to fix the Export Duty on tea at a rate not exceeding 66 naye paise per kilogram. By a notification No. GSR 1163 dated the 1st October, 1960 Government actually fixed the rate at 53 naye paise per kilogram.

**Warehousing Conditions.**—Warehousing conditions for the storage of tea were extremely easy during 1960, the Tea Trade

and Industry being allotted accommodation for 6.52 lakh chests in the port area as follows.—

<i>Accommodation for</i>			
Sale Tea Warehouse	..	2.40	lakh chests
Hide Road Warehouse (less Ground floor)	...	1.44	.. ..
3 King George's Dock (1st & 2nd Floors)	...	9.90	.. ..
10 sheds at Kantapukur	..	1.78	.. ..
	...	6.52	lakh chests

Accommodation for a further .75 lakh chests was obtained when the Public Warehousemen took over from the Port Commissioners one extra shed at Kantapukur, a portion of 2 King Georges Dock and its cartway area and the rail bays of Sale Tea Warehouse. The highest stock held was 7,23,788 chests as compared with the available capacity of 7.29 lakh chests.

The area for transit teas was the same as in previous years, i.e. Tea Transit sheds and Union South Jute Mills for river teas and Hide Road Warehouse (Ground floor) for rail rail teas. In addition, for operational necessity teas were unloaded at Juggernath Ghat by the River Steamer authorities.

In August the Association was advised that the Port Commissioners had agreed to place an order for the new Tea Warehouse at the Libyan Depot with Messrs. Martin Burn Ltd. at a cost of Rs. 64,70,549.

The Association continued to be represented on the Joint Tea Warehouse Advisory and Tea Liaison Committee by the Hon'ble S. P. Sinha of Messrs Macneill & Barry Ltd.

**Claims against the Port Commissioners.—** (a) *Time limit for submission of claims.* In the Association's report for 1958 it was recorded that the Port Commissioners had issued a notice reducing the time limit for the submission of claims from six

months to three months and that although the Trade had agreed to accept this ruling it had reserved the right to re-open the matter if experience showed that for any reason it was not possible to file claims within the three months' period stipulated.

During the year the Association consulted its solicitors on whether the Port Commissioners had any right to impose a time limit of three months for the submission of claims when under the rules of the Railway Conference Association, of which the Port Commissioners were members, notice of claim must be served within six months of the cause of action and submission of the final claim bill must be completed within one year. The advice received confirmed that the Port Trust Railway was a Railway within the meaning of the Indian Railways Act and as such claims in respect of goods carried on the P. T. Railway would have to be dealt with under the rules of the Railway Conference Association. A letter was accordingly addressed to the Chairman of the Port Commissioners who stated that the Commissioners' solicitors had advised that suits for loss of goods carried by the P. T. Railway had to be instituted within three months from the date when the loss occurred if the Commissioners were to be made liable, otherwise the suits would be time barred under Section 42 of the Calcutta Port Act and that a claimant seeking to make the Commissioners liable must prefer his claim in writing to the Commissioners under Section 77 of the Indian Railways Act 1890 but within the period of three months.

The Association's solicitors did not agree with these views and it was decided that subject to any views expressed by the Insurance Association of India, to whom the problem was referred, Counsel's opinion should be obtained.

The Insurance Association of India advised that they had long held the same views as those of the Association but that all their representations to the Port Commissioners had proved infructuous. They indicated, however, that the Calcutta Import Trade Association had asked the Bengal Chamber of Commerce and Industry to request the Government of India to

amend the Calcutta Port Act to make it clear that the liability of the Commissioners for the transport of goods over their railway would be governed by the provisions of the Indian Railway Act.

In view of this development the reference to Counsel has been deferred.

*(b) Claims in respect of U.K. (Direct Shipment) Teas.—*

In the 1958 report it was recorded that the Port Commissioners had agreed to settle claims in respect of direct shipment teas on the basis of the garden average price as shown in the weekly tea market report and where such garden average price was not available on the basis of the District Average Price.

In March, 1960 the Port Commissioners addressed the Association stating that they proposed to settle all claims on the basis of the district average price as their experience had shown that the garden average price as a basis for claims was neither justified nor in the interests of the Port Commissioners for a variety of reasons.

None of the reasons given was convincing and the Association in refuting them suggested that no change should be made in the present practice as there was no doubt that the garden average price represented the fairest basis for the settlement of claims. In the event that a change had to be made it was recommended that the earlier system of settling claims on the basis of brokers' certificates should be restored.

The Port Commissioners, however, refused to accept the Association's proposals pointing out that the garden average basis was already being used by them in dealing with claims involving EX or LC Teas when exported and by the Railways in respect of teas destined for the U.K.

In view of this attitude it was decided in consultation with the Calcutta Tea Traders Association that an effort should be made in the first place to get the Railways to settle claims on the basis of garden average. The Association's solicitors, who were

consulted, indicated that it might not be possible to insist on the settlement of claims on the basis of the garden average price. They considered, however, that the railways would not be justified in resisting claims for the real value of the goods lost or damaged and suggested that the Association's case should be pressed on these lines. The solicitors have therefore been asked to address the Railway authorities in the manner suggested and to propose that (i) for teas sold in Calcutta the real value of the teas lost or damaged should be determined by the price actually obtained in the auctions by the parent break i.e. for the balance tea which is neither lost or damaged; (ii) for teas not auctioned in Calcutta (i.e. teas which are shipped overseas on consignment) a brokers valuation should be accepted; (iii) for teas sold under private contracts the contract price should form the basis for the settlement of claims; (iv) that in the case of a dispute the Calcutta Tea Traders Association should function in the capacity of an arbitrator.

(c) *Wrong Delivery of tea consignments.* In 1959 the Association and several members had had occasion to complain to the Eastern Railway and to the Calcutta Port Commissioners about the misdelivery of tea consignments booked from railway stations in North Bengal to private warehouses in Calcutta. These misdeliveries had apparently occurred as a result of teas intended for private warehouses having been mixed with those intended for the tea sale warehouse at the transshipment point when the chests were being transferred from metre gauge to broad gauge wagons. The Port Commissioners had disclaimed responsibility for the misdeliveries and had also refused to accept liability for the movement of the chests to the correct destination. The Railways on the other hand stated that the Port Commissioners acted as the Railways' Agents in the matter of receiving teas in Calcutta and that they had full authority as agents to settle disputes of this nature and to deal with any claims arising therefrom.

A review of members' experience during the 1959 season showed that the problem was one of considerable magnitude and in the circumstances the Association made a further repre-

sentation in May 1960 to the Eastern Railway urging that prompt action should be taken under the following heads:—

- (1) The respective responsibilities of the Railway and the Port Commissioners should be agreed between the two and the industry should be advised as to where exactly responsibility lies and what action exactly should be taken to obtain redress in the event of future misdeliveries of this kind.
- (2) An effective system of inspection and check should be instituted at the transhipment point so as to reduce to a minimum the mixing of consignments despatched to different destinations.
- (3) Claims have been submitted to the Port Commissioners in respect of the misdeliveries described above and it is believed that these are still all outstanding. Prompt action should be taken to settle these claims.

The railways have not yet indicated what action they propose to take on the Association's suggestions

**Wealth Tax on Companies.**— In last year's report it was recorded that a representation had been made to the Central Board of Revenue regarding a case in which the Wealth Tax Officer had refused to allow the provision which had been made for labour bonus as a deduction from the assets of the company for the purpose of its 1957/58 wealth tax assessment.

Early in the year under review the Central Board of Revenue advised the Association that instructions had been issued to the Commissioner of Income-Tax and Wealth Tax that the ascertained liability on account of bonus for the years 1955 and 1956 should be allowed as a deduction in computing the net wealth in respect of the assessment year 1957/58.

**Assam Agricultural Income Tax.**— The rates of Agricultural Income Tax for the year commencing on the 1st April, 1960 were

fixed by the Assam Finance Act, 1960 as follows.:-

- (a) Where the total income of the Company does not exceed Rs. 1,00,000 on the whole of the total income--34 Naye Paise in the rupee.
- (b) Where the total income of the Company exceeds Rs. 1,00,000 on the whole of total income--38 Naye Paise in the rupee.

Provided always that (i) No Agricultural Income-tax shall be payable on a total agricultural income which does not exceed Rs. 3,000 and (ii) the Agricultural Income-tax payable shall in no case exceed half the amount by which the total Agricultural Income exceeds Rs. 3,000.

**Assam Taxation (On Goods carried by Road and Inland Waterways) Act, 1954.**— Previous reports have mentioned in detail the Association's appeal to the Supreme Court challenging the validity of the Assam Taxation (On Goods carried by Road and Inland Waterways) Act, 1954.

Judgment was finally delivered in this case in September and the Supreme Court, in a majority judgment, held that the Act was bad in law as it violated the provisions of Article 301 of the Constitution. Mr. Justice Saha delivered a separate judgment, but agreed with the majority judgment, and further held that the Act was bad as it infringed the guarantee given by Article 301 and that the Act had not been validated by the President's sanction. The only dissenting judgment was by the Chief Justice, who was of the view that Article 301, of the provisions of Part 13 of the Constitution, did not apply to taxation statutes and accordingly the Act was not unconstitutional.

Section 301 of the Constitution lays down that trade, commerce and intercourse throughout the territory of India shall be free. Much of the majority judgment was concerned with the technical point as to whether this Section covered taxation or not, and it was ultimately held that it was so covered. The point was also made that it made no difference whether the



restrictions contemplated under Section 301 were on movements inside a State or between one State and another. The freedom to which this Section referred, extended throughout the whole of India.

As a result of this judgment, members were advised to make no further payment of Assam Carriage Tax; and the Commissioner of Taxes, Assam was asked to indicate the Officer to whom members of the Association should submit their claims for a refund of the tax paid by them. No detailed reply has yet been received.

**West Bengal Tax on Entry of Goods in Local Areas Act, 1955.**— As a result of the Supreme Court judgment that the Assam Taxation (on Goods Carried by Road and Inland (Waterways) Act, 1954, was ultra vires the Constitution of India, the Association immediately consulted its solicitors to find out whether a similar case could be filed challenging the validity of the West Bengal Tax on Entry of Goods in Local Areas Act, 1955. Advice was received that that Act was bad in law for exactly the same reasons as the Supreme Court had found the Assam Carriage Tax Act void.

It was decided, therefore, in conjunction with other Tea Associations interested, to file an application in the Calcutta High Court for the issue of appropriate writs restraining the Commercial Tax Authorities from giving effect to the provisions of the West Bengal Tax on Entry of Goods in Local Areas Act. The application was moved on 23rd December and a rule issued.

**Assam Sales Tax (Amendment) Act 1960.**— The Assam Sales Tax (Amendment) Act, 1960, which came into force on the 1st April, 1960, withdrew the exemption previously granted in respect of sales of goods specified in the purchasing dealers certificate as being intended for "use in the manufacture or production of any goods, the sale of which was taxable under this Act."

Although it was not apprehended that the removal of the exemption would have a direct or serious effect on the Tea

Industry, the Association felt it desirable to record its opposition to the measure which it was thought would provide a stimulus for purchase outside the state, under the provisions of the Central Sales Tax Act, and to that extent effectively discourage the establishment of new industries in Assam, which could have helped to siphon off surplus labour on tea gardens.

**West Bengal Sales Tax.**— Last year the Association requested the Government of West Bengal to allow exemption from the payment of sales tax in respect of the following items which it was suggested should be included in the Schedule to the Bengal Finance (Sales Tax) Act, 1941 :—

Tea Seed.

Crop protective chemicals

Crop spraying equipment

Irrigation equipment

In reply Government pointed out that "spraying and irrigation equipment" were treated as "agricultural implements" by the assessing officers and would qualify for exemption when purchased for agricultural purposes including the growing of tea. The Sales Tax authorities, however, stated that such exemption could only be claimed by the selling dealers on the production of adequate proof and not by the purchasing (or the consuming) tea estates.

Government stated that they did not consider that they would be justified in exempting "tea seed" from the payment of sales tax when other seeds for growing plants were not so exempted. Crop protective chemicals could not also be exempted from the payment of tax, as they were in a different category to fertilisers and could be used by industries other than tea.

Government's attitude was considered most unsatisfactory and the Association asked that the matter should be reconsidered on the grounds that the tax paid on tea seed is added to the cost of production of tea and thus discouraged development

and rehabilitation programmes, which the Government of India had been urging the Industry to undertake with a view to expanding the production of tea. Crop protective chemicals were essential to the cultivation of the tea plant and it would be in the national interest to encourage their use as one of the means of increasing production in agriculture was to protect the crop from insects and pests.

The Tea Board's support was also sought but unfortunately Government continued to hold the views previously stated and declined to grant the exemption applied for.

**Assam Professions Tax.**— On the refusal of the Superintendent of Taxes, Silchar, to accept returns submitted by companies on the basis of a calendar year under Section 2(c) of the Assam Trades, Callings and Employment Taxation Act, 1947 the Shillong Adviser referred the matter to the Commissioner of Taxes, Assam urging (1) that a company, being a "person" was entitled on payment of the maximum tax, to refrain from submitting any return and (2) if this was not acceptable a return for the calendar year might be accepted. The Commissioner agreed that where tax was paid at the maximum rate no returns need be submitted but insisted that where tax was paid at a lower rate returns of gross income should be submitted on the basis of the financial year.

**Assam Panchayat Act.**— On 12th May a tripartite meeting was held in Shillong in order to discuss the application of this Act to tea estates, Government explaining that, now that elections to Gaon Panchayats were being held, there was some political pressure for similar elections on tea estates so that tea garden labour could also enjoy the benefits of local self-Government. It was recognised however that the position on tea estates was complicated and difficult, for the exercise of authority within a tea estate by a Panchayat could conceivably result in some interference with production, while at the same time Panchayats were expected to deal with many types of social amenity which were already provided by employers in the tea industry under the terms of the Plantation Labour Act. The

subject was again discussed in general terms at the meeting of the Standing Labour Committee held on 23rd May, but no useful conclusions were reached and Government undertook to give the matter their further study.

In the event the Government of Assam did not notify the constitution of Gaon Panchayats in any areas which included tea estates. Many estates however were affected by the constitution of Anchalik Panchayats, which took over certain functions previously discharged by local Boards and *inter alia* were empowered to handle certain taxes—such as licensing fees for major hats and bicycles—previously administered by the local Boards. The legal position was examined by the Association and the subject was discussed with the Deputy Development Commissioner of the Government of Assam, at whose request the Association eventually advised its members that, where a tax formerly levied by a local Board was now being administered by an Anchalik Panchayat, the estates should pay the tax when it was demanded by the Panchayat, though any increases should be the subject of appeals and the estates should also challenge the imposition of new taxes.

**Language Agitation in Assam.**— In July there broke out in Assam most serious rioting and arson in connection with the State language agitation movement. The main target of attack was the Bengali population resident in Assam and many cases were reported of Bengali staffs on tea estates either leaving Assam or being unable to carry out their normal duties. Excise officials was affected which seriously interfered with the despatch of tea. The position was also complicated because of the strike of Central Government employees which commenced on the 12th July and seriously interfered with all forms of communication. The General Committee held a number of emergency meetings to discuss the many problems which arose as a result of these difficulties.

Representatives of the Association met both the Chief Minister, West Bengal, and the Deputy High Commissioner for the United Kingdom and discussed with the former the position

in general and with the latter security on tea gardens, The Vice-Chairman of the Association—Chairman at the time was in London—accompanied by the Shillong Adviser made an extensive tour of tea garden areas in Assam and held detailed discussions with Branch Chairmen and other representatives of the industry. An interview was also held with Mr. Fakhruddin Ahmed, Acting Chief Minister of Assam, during which informal discussions were held with the Prime Minister of India. As a result of these meetings, and after consideration by the General Committee, a circular was issued to Zones and Circles stating that consequent on the interview with the Acting Chief Minister, the Association had decided to support managers who might wish to arrange a Watch and Safety Guard to protect life and property. If aggression was apprehended endeavours were to be made to obtain police assistance and the guards did not relieve the police of their responsibility and function. Considerable help and assistance was received during this difficult period from the I.N.T.U.C.

Gradually, as a result of the intervention of the army and other measures introduced by Government, the position returned to normal but tension continued for some considerable time.

During these disturbances, communications often broke down and the Association gave detailed consideration to drawing up a "Communications Plan" which would be brought into operation if and when a further emergency arose. This plan deals with the despatch of correspondence, the rapid extension of the P. & T. telephone services, the possibility of wireless telephones, the chartering of an aircraft for use by the Branch and a system of reporting by Zone Secretaries so that all can be kept informed of the position.

During the disturbances, all connected with the tea industry in Assam passed through a very difficult and trying period and the appreciation of the Association is to be recorded at the steadfast manner in which they continued to carry out their duties.

**Assam Relief Fund (West Bengal).—** Following the language disturbances in Assam and the arrival from Assam of a large number of Bengali refugees in West Bengal, the Association was approached by Dr. B. C. Roy the Chief Minister of West Bengal for a donation to the Relief Fund, which had been set up with the Governor, Shrimati Padmaja Naidu, as President and himself as Chairman. After consultation with the Indian Tea Association, London, it was agreed that the Association should donate a sum of Rs. 25,000/- to the Relief Fund, which would be collected from members on the basis of their average crops for the past three years. This sum was accordingly made over to Dr. B. C. Roy.

**Central Government Employees Strike.—** A strike of Central Government employees took place in July, commencing at mid-night on 11th July, and as it was evident beforehand that this strike would result in serious dislocation of transport and communications the Association made arrangements for an emergency mail service to be operated between Calcutta and the tea districts. The scheme provided for the collection in Calcutta of mail being despatched to estates by Agency Houses and for its transmission by the various air-carrying services operating in North East India to selected airfields whence it could be distributed to the districts served by each; similarly mail from up country was sent down by the same air services to the Association and distributed by it to head offices in Calcutta. This scheme commenced operation on the first day of the strike and, as postal services were congested for some little time after the strike was officially called off, it was continued until 25th July in the case of estates in North Bengal and until 2nd August in the case of certain areas in Assam. The scheme proved highly effective and was instrumental in maintaining communications between Calcutta and the tea districts during a short but difficult period when no other means of communication were available.

**Channel Black Factory in Assam.—** In August the Association learnt that the Development Wing of the Government of India had under consideration applications from several parties for the establishment of a Channel Black factory in the proxi-

mity of the source of natural gas in Assam. The matter was considered in some detail by the Association and it is hoped that in the light of the scientific evidence which has been made available to Government, the project will not be sanctioned.

**National Productivity Council: Study Tours Overseas.**—During the year the National Productivity Council informed the Association that during 1961 it proposed to sponsor overseas visits by fifteen productivity teams and asked for suggestions regarding problems which might be studied by these teams. In reply the Association stated that they did not consider that an overseas mission of the type proposed could make a material contribution to the study of the problems arising in the cultivation and manufacture of tea which were of a special nature. The Tea Industry was a highly organised industry and the Association had its own research station at Tocklai in Assam, which had for many years studied all aspects of tea cultivation and manufacture especially those concerned with productivity problems. Moreover, as the tea was a crop whose cultivation was mainly confined to tropical and sub-tropical regions there appeared to be little scope for useful study in the countries of Western Europe and America. It was suggested, however, that the Productivity Teams might obtain information on the use of Natural Gas for power and heat requirements as supplies of this fuel were expected to become available to the Tea Industry in Assam in the near future.

The Association had nominated Mr. T. Borooah as a member of the productivity team which the National Productivity Council proposed to send overseas in 1960 to study industrial relations but this team was dropped and did not go abroad.

**Assam Chaplaincy Scheme.**— In last year's report it was recorded that for financial reasons it had been decided to reduce the Assam Chaplaincy establishment to three and that at the end of that year the Chaplains were deployed as follows :—

At Tezpur	.. The Rev. F. Wyld.
At Digboi	.. The Rev. P. Innes.
At Chalkoa	.. The Rev. H. R. Horsley.

During the year the Association decided that a Chaplain should be posted at Cinnamara and it was agreed that when the Rev. Wyld retired, towards the end of 1960, his successor should be stationed there. The Rev. H. Picton was appointed by the Bishop of Assam to take the Rev. Wyld's place and the new Padre took up his appointment with the Chaplaincy Fund in November. The Rev. Wyld should therefore have been relieved of his duties at that time but unfortunately the Rev. Horsley resigned his appointment with effect from the 30th September, 1961 for personal reasons. The Bishop of Assam thereupon suggested that the Rev. Wyld should be transferred to the Lakhimpur charge where he will remain until April 1961 when he goes on leave. A replacement is expected in October 1961.

The Chaplains are at present posted as follows:

At Chalkoa	... The Rev. F. Wyld
At Digboi	... The Rev. P. Innes
At Cinnamara	... The Rev. H. Picton

The rate of contribution by Tea Companies to the Chaplaincy Fund was maintained at Rs. 50/- per 100 acres during the year under review.

**Planters' Amenities Fund.**— The rates of subscription to the Planters' Amenities Fund for 1960 were fixed at the same level as in 1959 viz.

12½ nP. per acre for Cachar gardens
25 nP. per acre for all other areas.

The collections made were distributed in accordance with proposals which received the prior approval of the Committee.

**Malaria Control.**—In last year's report it was recorded that Government had decided to extend the National Malaria Eradication Programme to the tea districts but that it was their intention to exclude tea gardens from their spraying programmes and to limit their services only to the surrounding countryside and to those gardens which, in the past, had carried out no malaria control programmes. As this decision appeared to be



unfair the Association had asked Government to reconsider the matter and at a meeting for which Dr. Gilroy was largely responsible, held in April between the Director, National Malaria Eradication Programme, the State Malaria Officers and representatives of the Association, Government agreed that tea gardens should be given the option of carrying out their own spraying operations, of receiving supplies of D.D.T. from Government, which they could apply themselves, or of having their spraying programmes taken over completely by the State Malaria Units. On the advice of the Ross Institute of Tropical Hygiene it has been recommended that tea gardens should carry out their own spraying programmes, utilising if necessary, the supplies of D.D.T. which Government have promised to make available.

At the meeting the Director, National Malaria Eradication Programme promised to allot to tea gardens, for clinical use only, a quota of anti-malaria drugs from the supply which he expected to receive from the U.S. Technical Co-operation Mission. Supplies of these drugs have arrived in India and members have been asked to place their indents on their local National Malaria Eradication Programme Units in the tea districts.

**Tuberculosis on Tea Estates.**— This subject has engaged the Association's attention from time to time during recent years and in 1960 the handling of the problem was very appreciably and actively assisted by the Ross Institute of Tropical Hygiene. Dr. Alan Gilroy, the Principal of the India Branch of the Ross Institute, visited Madras in June in order to study the work of a Tuberculosis Chemotherapy Centre which was operating there under the auspices of the World Health Organisation and, on his return, he met the Association's Committee and reported very favourably on the successful results the project was achieving. The Madras Centre, it appeared, had inaugurated a new system of domiciliary treatment which was proving as effective as hospitalisation. The treatment consisted of the administration of drugs twice daily over a period of 12 months, the total cost of the drugs required being about Rs. 200 per patient, and results so

far showed that about 90% of the patients treated could be converted to quiescence within the 12 month period. In view of these encouraging results, it was agreed that the new system of domicilliary treatment was likely to prove of very great benefit to the tea districts and, on his return to Assam, Dr. Gilroy held further consultations with Principal Medical Officers with a view to making the treatment widely known and encouraging its extensive adoption. The Committee of Control of the Ross Institute also considered the subject and agreed that, in order to assist subscribers in the tea districts, the Ross Institute at Cinnamara might set up a special laboratory to conduct sputum tests. Action to inaugurate this laboratory is accordingly now being taken by the Institute, and the Association and its members are greatly indebted for the advice and assistance they are receiving from the Institute and from Dr. Gilroy.

**Calcutta School of Tropical Medicine.**— The members of the Association with a few exceptions continued their support of the Calcutta School of Tropical Medicine during 1960, the subscription remaining at 3 nP. per acre. A total sum of Rs. 9620.76 was accordingly paid over to the School. The Association was represented on the Governing Body of the School by Mr. H. Mackay Tallack.

The usual courses for the Licence and for the Diploma were held during the year, commencing on the 15th July and the 15th October respectively.

**Ross Institute of Tropical Hygiene.**— Tea Companies in the membership of the Association continued to support the Ross Institute of Tropical Hygiene, India Branch, during the year. The same rate of subscription was recommended for 1960/61 viz. 4 nP. per 100 pounds of tea produced on the average crop for the three years 1956 to 1958.

A refresher course for Assistant Medical Officers was held in the Dooars in February, 1960 and was attended by a large number of doctors. A Health Assistants course has been organised and will be held early in 1961.

**Assam Nursing Association.**— In view of the very limited extent to which the services of the Nursing Sisters employed by the Assam Nursing Association had been utilised in recent years, the Committee of that Association decided to close down its nursing activities with effect from the 30th September, 1960. Accordingly all the nursing and other staff of the Association were discharged during the year. The Association has not been wound up, however, for various technical reasons but no further subscriptions will be called for from members.

**Cemeteries in the Tea Districts.**— Agency Houses with interests in Darjeeling subscribed towards the Darjeeling Cemeteries Fund at the rate of Rs. 30/- for each garden while those in Cachar contributed towards the Christian Cemetery at Silchar at the rate of Rs. 20/- per garden in respect of all gardens in that district, except those in the Longai Valley.

In May 1960, the Board of the Jokai (Assam) Tea Co., Ltd. made available a plot of land, situated half way between the Club and the Padre's bungalow, for the establishment of a cemetery for Europeans to take the place of the Dibrugarh Cemetery which was full up. A sum of Rs. 12,000 was advanced by the Association towards the establishment of the cemetery and it is proposed to raise this sum by means of a levy on tea gardens with interests in the Dibrugarh, Panitola, Tingri and Nahorkatiya Circles of the Assam Branch Indian Tea Association.

**Tea Waste ( Control ) Order, 1959.**— In last year's report it was stated that at the end of that year the Tea Board were still examining the procedure to be adopted for the destruction of tea waste arising in the Public Warehouses and in the Faulty Tea Warehouses. Orders were issued in April 1960 when the Licensing Authority prescribed the following methods for the destruction of tea waste:—

- (i) by burning; which may be done in accordance with the existing municipal laws in incinerators and/or at suitable places.

- (ii) by throwing the tea waste into water; in case of river Hooghly the prior sanction of the Port Authorities may be necessary and in cases of ponds and tanks maintained by the Corporation or Municipalities etc. necessary permits should be obtained from the appropriate authority.
- (iii) by throwing it in dustbins 'scavengers' lorry after mixing it thoroughly with Kerosene oil.
- (iv) by scattering it and throwing it on way sides in out of way places after mixing it with kerosene oil.
- (v) by dumping it in a pit after mixing it with kerosene oil.

In a notification dated the 21st March, 1960 the Licensing Authority specified the form in which Licensees would have to maintain records of their stocks of tea waste. A copy of the form, No. TW1, is reproduced in the appendices to this report.

**Supply of Tea Waste for Caffeine Manufacture.**— During the year under review the Association maintained its policy that tea gardens should destroy their tea waste on the estates and should not make supplies available for any purpose whatsoever.

On the recommendation of the Tea Board, however, the Association arranged for tea waste to be supplied by certain selected tea estates in the vicinity of Dibrugarh to Messrs. Eastern Assam Chemical Industries Private Ltd., who had established a factory at that place for the production of Caffeine from tea waste and required 2400 quintals of waste per year.

As in the past one Agency House was selected by lot to make available the requirements of tea waste of Messrs. Bengal Chemical & Pharmaceutical Works Ltd., which amounted to 2,000 maunds.

**Membership Subscription.**— The rate of membership subscription for the last three years has been as follows:—

1958 — 1.38 nP. per lb. of the average production of the years 1955, 1956 and 1957.

1959 — 1.38 nP. per lb. of the average production of the years 1956, 1957 and 1958.

1960 — 1.38 nP. per lb. of the average production of the years 1957, 1958 and 1959.

**Finance.**— Copies of the audited balance sheets of the Association and the scientific Department as at the 31st December, 1960, together with the revenue accounts for the year are attached to this report.

N. S. COLDWELL, *Chairman*,  
I. F. MORRIS, *Vice-Chairman*.  
B. P. BAJORIA  
R. H. BROWN  
L. T. CARMICHAEL  
SIR RICHARD DUCKWORTH  
H. K. FITZGERALD  
P. B. NICHOLLS  
G. F. OLDHAM  
HON'BLE S. P. SINHA  
H. K. STRINGFELLOW  
G. A. WHITAKER.

E. I. BROWN,  
Assistant Secretary,  
Royal Exchange,  
*Calcutta 20th February, 1961.*

# REPORT OF THE DARJEELING AND DOOARS SUB-COMMITTEE

**The Darjeeling & Dooars Sub-Committee.**— The following gentlemen served as members of the Darjeeling & Dooars Sub-Committee for 1960:—

Mr. I. F. Morriss, O.B.E., <i>Chairman</i>	}	Messrs. Jardine Henderson, Ltd.
Mr. W. F. Hunter-Arundell		
Mr. F. Carman, M.B.E.	...	Messrs. Williamson Magor & Co., Ltd.
Mr. L. T. Carmichael	}	Messrs. Duncan Brothers & Co., Ltd.
Mr. A. F. Macdonald		
Mr. A. C. H. Dolphin	...	Messrs. Shaw Wallace & Co., Ltd.
Mr. G. Kydd		Messrs. Octavius Steel & Co., Ltd.
Mr. R. H. Brown		
Mr. C. R. F. Mackenzie	...	Messrs. McLeod & Co., Ltd.
Mr. G. W. Maycock	}	Messrs. Gillanders Arbuthnot & Co., Ltd.
Mr. G. J. Duncan		
Mr. G. F. Oldham	}	Messrs. Andrew Yule & Co., Ltd.
Mr. P. A. Francis		
Mr. L. N. S. P. Pyke	}	Messrs. Davenport & Co Private Ltd.
Mr. A. N. Sircar		
	...	Messrs. James Finlay & Co., Ltd.

When Mr. Morriss proceeded on leave at the end of July, 1960 Mr. G. F. Oldham acted as Chairman of the Sub-Committee. Mr. Morriss resumed the Chairmanship in November but relinquished this office at the end of December, 1960. Mr. A. C. H. Dolphin was appointed Chairman of the Sub-Committee as from the 1st January, 1961.

## **Clerical Staff Salaries in the Dooars : Head Clerk's Allowance.**—

On the recommendation of the Dooars Branch Indian Tea Association the Darjeeling & Dooars Sub-Committee agreed that

with effect from the 1st October, 1960, Head Clerks in the Dooars could be paid a Head Clerk's allowance of Rs. 25/- per mensem but only subject to the following conditions:—

- (1) The allowance is an efficiency allowance given only on the approval of the Agency House or Visiting Agent concerned after first receiving the recommendation of the Manager.
- (2) The allowance may only be paid to Head Clerks who have reached the top of the pay scale.
- (3) Where more than one authorized servant or servant allowance or any other payment is being made in excess of Branch recommendations, the allowance should be adjusted against such payments and *not* paid in addition to them.
- (4) The State Provident Fund will be payable on the allowance.
- (5) Dearness Allowance will *not* be payable on the allowance.

**Scales of Pay for Assistant Medical Officers.—** In last year's report it was recorded that an agreement had been reached with the Unions on revised scales of pay for clerical staff in the Dooars and that it had been agreed that Assistant Medical Officers would receive similar benefits, the details of which would be the subject of separate negotiations.

On the 24th February 1960, the Dooars Branch Indian Tea Association, the Dooars Tea Garden Indian Employees Association and the Dooars Branch Indian Medical Association entered into an agreement which provided for the adoption of the following scale of pay for Assistant Medical Officers:—

Rs. 146--6/50--211 E.B.—16--371.

The scale was brought into force from the 1st November, 1959, and the A.M.O.'s were fitted into the scale in accordance with the principles agreed upon in 1959 for the clerical staff.

**Scales of pay for Fitter & Carpenter Babus in the Dooars.—**

In consultation with the Association the Dooars Branch recommended the following scales of pay for Fitter and Carpenter Babus in the Dooars:—

Fitter Babus	...	Rs. 120-5-220
Carpenter Babus	..	Rs. 120-3-180

The scales were introduced with effect from the 1st April 1960.

**Bonus for Subordinate Staff in the Dooars & Terai.** — During 1960 estates in the Dooars and Terai paid the subordinate staff bonus which was due in respect of the years 1957 and 1958, the calculation being made according to the following formula:—

$$\text{Bonus payable to Staff etc.} = \frac{B \times S}{44.72}$$

'S' = The basic monthly pay plus D.A. drawn by the member of the staff on 31st December, 1957 for the 1957 bonus and on 31st December, 1958 for the 1958 bonus.

B = Standard Bonus payable to the daily rated worker worked out on the formula.

Profit of Company for Bonus Year  $\times 70$   
Average Profit for "Company" for 1954, 1955, 1956.

44.72 = The daily rated workers wage for 1957 and 1958 of Rs. 1/11/6 (Rs. 1.72)  $\times$  26 working days per month.

This formula was the same as for previous years except that the denominator (of which the Dooars example is quoted above) had to be slightly altered to take account of wage alterations in the years in question. For the Terai the denominator was 43.94.

**Threatened Strike in the Dooars.**— Following the practice of previous years the Dooars Chai Bagan Mazdoor Sangh adopted



a Charter of Demands at an Extraordinary General Meeting held in August, 1960, which covered the following points:—

1. Employment for dependents of workers pending enquiry of the Employment Assessment Committee;
2. Retirement benefits to all daily-rated workmen at a uniform rate of 75 nP. a day plus facility of cheap ration and medical aid. Monthly rated workmen should be paid half on the total emoluments as pension plus other facilities. Retired workmen who have no other place to go should be rehabilitated on garden land as far as possible;
3. All workmen to be granted paid festival holidays for eleven days in a year with immediate effect;
4. Cheap ration and free medical aid for the dependents of workmen;
5. Restoration of the customary privilege of Sirdari system on the tea gardens in Kalchini area, where conditions of work have been affected due to the abolition of the Sirdari system. The system when abolished should be replaced by such Agency as will provide the worker the same privileges, financial or otherwise as at present, i.e. cash or kind benefits representing gift or feeding by Sirdars twice a year, cash help when faced by natural calamities, advance when required and social benefits. Adequate compensation on the basis of ten years' consolidated commission when the system is abolished;
6. Welfare measures like improvement of roads in the lines, draining, water supply and provision of latrines, building of community cow sheds etc. to receive more attention by the employers;
7. Suitable school buildings, taking into consideration the number of school-going children in each tea garden and rules to be framed for appointment of teaching staff and their honorarium, quarters etc.

8. Implementation of the provisions in the West Bengal Plantation Labour Rules regarding creches;
9. Parity in pay of the monthly-paid staff in the I.T.A. and I.T.P.A. gardens. The staff in all the gardens to be given graded status of Class I, II and III with other amenities as per their grade and the disparity between clerical, medical staff, supervisory and sub-staff to be reduced;
10. The existing sickness allowance of 75 nP. for a period of 14 days should be revised and increased immediately to Rs. 1.25 nP. per day for a period of 21 days.

These demands were forwarded to the Association on the 29th August 1960, along with the threat of a strike to be launched "from any date after the expiry of fourteen days from the date of issue of the notice". A copy of the Charter of Demands was also sent by the Union to the Labour Commissioner, West Bengal who thereupon convened a conference at his office on the 9th September to examine the demands. At the Conference, which was attended on the Association's behalf by Mr. G. F. Oldham, Mr. J. L. Llewellyn and Mr. P. Crombie, the Association's representatives strongly protested against the Union's action in submitting a strike notice without having recourse to negotiations, such conduct being entirely contrary to the spirit of the Code of Discipline. The Unions expressed regret that their action had been considered contrary to the Code and stated that they were prepared to withdraw the strike notice in view of the employer's willingness to negotiate. The demands were then discussed and it was agreed that the Conference should be adjourned to the 22nd September. In the meantime the General Secretary of the Union would have an informal talk with the employer's representatives regarding the demands which might usefully be pressed.

When the Conference resumed on the 22nd September, a memorandum of agreement was drawn up and signed in the following terms:

- (1) It is agreed that the Employers will give preference to workers' children in filling vacancies for employ-

ment on tea gardens. While the Employers considered that the determination of the number of workers to be employed should be their function, it was agreed that the Union will prepare a list of hardship cases which they considered should be given prior consideration in filling vacancies.

- (2) The Union will be at liberty to bring forward cases where the work-load is considered unduly severe and these will be duly examined. The Employers also may bring up cases where they consider that tasks are too small.

The I.T.A. will carry out work measurement of tasks in the Dooars after their present study in Assam is complete and will report the results.

- (3) A joint request from the Employers and the Union will be made to the Government of West Bengal that contractors on public works should give preference in employment to surplus labour from tea gardens.
- (4) It is recommended to Companies that they give favourable consideration to the question of giving repatriation grants for whole families if they are willing to leave the garden.
- (5) Dr. Shrimati Maitreyee Bose and the I.T.A. will both approach the Minister of Labour in the Government of India to request that the Assam procedure, whereby a garden Manager is authorised to give direct refunds of Provident Fund balances to the nominees of deceased workers and to workers who are retiring, and to deduct the same from their remittances of Provident Fund to the Regional Commissioner, should be introduced also in West Bengal.
- (6) The Union will bring to notice cases where any estate has not got any practice of making exgratia payments, in cash or kind, to hardship cases of retired labourers, and the Company concerned will be approached to

give sympathetic re-consideration to making such provision.

- (7) Medical facilities free of cost shall not be withdrawn from the children of workers up to the age of 18.
- (8) In addition to the 2 National holidays, the Employers agree to give 3 festival holidays per year with pay : 2 at the Durga Puja and 1 at the Kali Puja, provided the worker performs a day's work on the next working day after the holiday. This Agreement should not preclude the Unions making general requests for further holidays with pay at an all-India level

(The I.T.P.A. representative could not agree to this proposal at present, but agreed to refer it to his Committee for favourable consideration.)

- (9) (a) Creches : the Union agree with the Employers that the West Bengal Government be requested to amend Rule 37 of the West Bengal Plantation Labour Rules on the lines of Rule 48 of the Assam Plantation Labour Rules to include a nominal payment for milk and for refreshments provided at the Creche; and
  - (b) The Employers agree with the Union to request the West Bengal Government to amend Rules 75 of the West Bengal Plantation Labour Rules so that a worker shall be entitled to obtain sickness allowance at the rate of two-thirds of his daily wages in cash and in kind, deleting the present maximum of 75 nP. per day. The value of food concessions for this purpose will be calculated on the same principles as for maternity benefit
- (10) The Employers will join with the Union in requesting the West Bengal Government to enjoin the local authority to provide better facilities for primary education on tea gardens, including adequate qualified teachers, adequate buildings and furniture, and

teaching equipment, and the possible provision of a special tea garden allowance.

- (11) It is agreed that henceforward temporary labour, whether resident or non-resident on the garden, shall be paid the same cash wages as permanent labour.

**Factories Act : Appointment of Certifying Surgeons.**— During a visit to the Dooars Branch office, the Medical Inspector of Factories, Jalpaiguri stated that Certifying Surgeons appointed by Government under the Plantations Labour Act were not authorised to issue certificates of fitness to young persons employed in tea factories and that such persons would have to obtain their certificates from him in his capacity of Certifying Surgeon for Factories.

It appeared to the Association that the examination and certification of young persons employed in factories by the Medical Inspector of Factories was an unduly cumbersome procedure when nearly all gardens in the membership of the Dooars Branch had their own Certifying Surgeons appointed under the Plantations Labour Act.

The Association, therefore, addressed the Government of West Bengal suggesting that in the case of tea factories, they should agree that certificates of fitness granted by Certifying Surgeons appointed under the Plantations Labour Act should be considered valid for young persons employed in tea factories or alternatively Government should appoint the tea garden Certifying Surgeons as Certifying Surgeons under the Factories Act for their respective estates.

In reply Government regretted their inability to accept the Association's proposals in view of the provisions of sub-section (3) of Section 10 of the Factories Act which prohibited the appointment of anyone directly or indirectly connected with the Factory as a Certifying Surgeon under the Act.

**Flood Control in North Bengal.**— Mr. D. L. Betts, who had served for several years as the Association's representative on the North Bengal Flood Control Advisory Committee, retired in

March, 1960 and his place on the Committee was taken by Mr. L. T. Carmichael of Messrs, Duncan Brothers & Co., Ltd.

During the year the Association drew the attention of the Advisory Committee to the serious position which was developing as a result of Raidak River II eroding its left bank and threatening to cut off the Jorai station road from the North. This road is vital to tea estates east of the Raidak and if it were breached during the monsoon, these gardens would neither be able to despatch their teas nor receive their stores. In the circumstances the Association asked that urgent steps should be taken to protect the area and prevent any breach of the road. The Association has been informed that the matter is being examined by the Chief Inspector. Floods, of the Government of West Bengal.

The Government of West Bengal reported that the Government of India had agreed in principle to the proposal for the construction of a bridge over the River Toorsa between Hasimara and Madarihata and that steps were being taken to obtain financial sanction for the project.

The project for the construction of a bridge over the River Dudua was still under consideration by the Government of India.

**Air Services in the Dooars.—** The various airfields in the Dooars continued to function successfully under the control of the local airfield Committees and the aircraft, operated by Messrs, Associated Air Works under an Agreement with the Dooars Branch, provided a valuable service throughout the year.

When orders were issued by the Government of West Bengal under the West Bengal Estates Acquisition Act, it was found that in some cases the area sought to be acquired by Government included lands comprising the airfields. In view of the vital part which the airfields play in the communications network of the Dooars tea districts, the Association addressed Government suggesting that where airfields were acquired they should be re-leased to the Association as soon as possible so as to prevent their falling into disrepair or being occupied by third parties to

the disadvantage of the Association and of Government. The reactions of Government to this suggestion are awaited.

As in past years Messrs. Jamair Co. Private Ltd. were retained to provide air serves between Calcutta and the Dooars and gardens in the Dooars agreed to ship  $2\frac{1}{2}\%$  of their crops as back loads by that company.

**West Bengal Estates Acquisition Act 1953.—**(a) *The Advisory Committee.*—The Committee to examine land utilisation on tea gardens in West Bengal completed its enquiry during the year, and the last meeting was held during January, 1960. Notice of this meeting was not received by the Deputy Chairman, who represented the Association on the Committee and it was necessary therefore for him to refer several cases of tea gardens in Darjeeling to the Chairman, Tea Board, under whose Chairmanship the Advisory Committee was functioning. It was requested that the recommendations, which had reportedly been made for the resumption of certain lands, should be modified so as to prevent land, which had been reserved for extensions or which was situated in the heart of the estate, from being taken over by Government and leased to outsiders.

Towards the end of July, 1960, tea companies in West Bengal began receiving orders from the Land and Land Revenue, Department of the Government of West Bengal, requiring them to surrender certain areas of land on their grants which it was stated had been recommended for resumption by the Advisory Committee. Companies were given fifteen days to register their objections. These orders caused considerable difficulty because in most cases the plot numbers etc., quoted in the notices, referred to maps which had not been issued to the tea gardens concerned. Furthermore, the time limit of fifteen days given was neither adequate for Managing Agents to study the record of rights and the maps, and to identify the plots concerned; nor did it allow sufficient opportunity for consultation with managers and legal advisers, to decide whether the land, which Government proposed to take over, was in fact surplus to requirements. The Association, therefore, asked Government to allow tea companies six weeks to file their

objections and to supply them with the new maps as soon as possible. This official representation was followed up by the Deputy Chairman who addressed the Deputy Secretary to the Government of West Bengal, Land and Land Revenue Department, reiterating the difficulties which companies, in the absence of maps and incomplete descriptions in the Government orders, were experiencing in preparing their objections. It was urged that tea companies should be given a fair opportunity of presenting their cases and that Government, before resuming land which might effect the viability of estates, should examine the representations which would be made in the light of the following disadvantages which would attend the acquisition of scattered areas of land in the tea districts:—

- (i) the acquisition of khet, hitherto under the control of an estate, would mean that large quantities of grain which helped in providing the estate with its food requirements, would no longer be available; with a corresponding increase in demand upon Government supplies,
- (ii) the addition of many thousand half acre tenancies to the rent rolls of Government would present administrative problems inseparable with any attempt to realise rent from those who heretofore have paid none, and would have repercussions upon garden discipline,
- (iii) the acquisition of forest lands, often the pride and special care of an ever-present manager, would necessitate a wider degree of vigilance than has previously been within the power of the public authorities,
- (iv) the resumption of lands which were not apparently in use would limit grazing lands—with loss of milk supplies and consequent further depredations in tea: and would effectively restrict opportunities for building, replanting and extension, thereby curtailing for all time the estate's ability to play a greater part in the State's economic and social life.



It was only after a further reference to the Member, Board of Revenue, that orders were passed by the Government of West Bengal that

- (i) the acquisition orders would give both new and old plot numbers
- (ii) full facilities would be given for the inspection of the Government maps on the basis of which the orders had been issued.

This was a satisfactory conclusion to this difficult matter; but it still remains to be seen what orders are finally issued by Government and to what extent the areas acquired will affect the viability of the estates concerned. It is hoped that tea gardens will be allowed to retain any land which is considered suitable for the cultivation of tea in the foreseeable future as Government has given an assurance that they will be guided by the advice of the Tea Board where such lands are involved.

(b) *Licensing of Land allotted to Tea Garden Labour.*— One of the problems arising out of the West Bengal Estates Acquisition Act was the position of land occupied by such persons as priests, barbers and others who, though not estate employees, are nevertheless a part of the social life which centres around a tea garden. Similar difficulties were also envisaged in respect of the numerous cases in Darjeeling of land occupied by the families of serving soldiers and policemen, who had been living on the estates while their husbands were away. Government's advice was sought in this connection and the Association was informed that if it could be "maintained and proved to the satisfaction of the Revenue Authorities that the occupants are licensees or are in permissive permission, they can continue to remain on the land and the land will continue to remain in the possession of the tea estate concerned."

A copy of a Circular issued by the Darjeeling Branch on the general question of the licensing of land allotted to Tea garden labour is reproduced in the appendices to this report, together with a letter from the Association's solicitors which throws considerable light on the matter of occupancy rights of workers etc.

(c) *Collection of rents etc. in respect of land recommended for acquisition.*—Reports were received during the year that local Revenue officials in Darjeeling were collecting or attempting to collect rents from tenants on those portions of tea estates which the Advisory Committee had reportedly recommended for acquisition under the West Bengal Estates Acquisition Act. As it seemed that these officials were acting in excess of their powers, the Deputy Chairman, during a visit to Darjeeling in May, 1960, called on the Deputy Commissioner's office to discuss this matter. The discussions revealed that

- (i) Government did not propose to collect rents or to assume responsibilities for acquisition until the recommendations of the Estates Advisory Committee had been considered and final orders passed,
- (ii) where rents were now being collected, if subsequently Government decided not to take over the land, such rents, less collection charges, would be returned to the estate, and
- (iii) if estates wished to resume the collection of these rents the Deputy Commissioner's office would afford them facilities for doing so.

In view of the assurance that rents, which had been collected from the tenants of land not eventually acquired by Government, would be refunded, it was recommended to members that they should not seek to interfere with the existing position and to resume the collection of rents themselves. They were also advised that if they wished to surrender land to Government, upon the recommendation of the Estates Acquisition Enquiry Committee, they should do so in terms of their leases and not as a part of the machinery under the Estate Acquisition Act.

(d) *Renewal of Tea Garden Leases.*—In the Association's report for 1958, it was recorded that tea gardens in West Bengal, on the expiry of their thirty years leases, were being offered temporary leases for one year at a time pending Government's decisions on any land acquisition which might be contemplated.

In reply to the Association's representations, however, Government gave an assurance that there was no intention of changing the nature of existing tea garden leases, or of taking advantage of any one who signed an annual lease as a temporary measure.

During the year certain members raised this matter once more, and asked whether they were not legally jeopardising their entitlement to a 30 year renewal by reason of their acceptance of temporary leases for one year only, when such temporary leases contained no clause making it clear—in the words of Government's assurance—that annual renewals “would not adversely affect the garden's title to the longer lease at present enjoyed.” The Deputy Chairman accordingly referred this matter again to the Director of Land Records and Surveys, as well as to the additional member, Board of Revenue, Government of West Bengal and suggested:—

- (i) that wherever no question of acquisition was involved, the 30 year leases be renewed, and
- (ii) that where the question of acquisition was concerned—or where other kinds of doubt arise—and where annual leases are accordingly necessary, such leases should include, for the contentment of all concerned, an explanatory clause safeguarding the estate's present right to the 30 year lease.

No orders have been issued as yet by Government in this connection.

**West Bengal Alienation of Land (Regulation) Act 1960.—**

The West Bengal Alienation of Land (Regulation) Act, 1960, which replaced the West Bengal Alienation of Land (Regulation) Ordinance 1960, was published in the Calcutta Gazette Extraordinary of the 7th October, 1960.

This Act lays down that no person without the previous sanction of the State Government shall make any alienation of land in favour of any person when such a person is—

- (1) an individual who is not a citizen of India,

- (2) a body corporate or firm, of which the majority of the directors, shareholders or partners, as the case may be, are not citizens of India, or which is formed and registered outside India.

The word "alienation" in relation to any land has been defined as "the transfer, sale, mortgage, lease, exchange, gift etc." of the land.

The Legislation is only likely to affect the sale, if any, of land between Agency Houses.

**West Bengal Forest Advisory Board.**— The West Bengal Forest Advisory Board was reconstituted by the Government of West Bengal with effect from the 2nd May, 1930, and the Association is represented on this body by Mr. R. D. C. McCall, M. C. of Rydak Tea Estate in the Dooars. A meeting of the Board was held on the 29th May and was attended by Mr. McCall.

**The Bengal Agricultural Income Tax Act 1944.**— Tea Company assessments under the Bengal Agricultural Income Tax Act are made under Section 8 of the Act and are based on the assessments for the same year under the Indian Income Tax Act. If an assessment under the Central Act is modified on appeal, the corresponding assessment under the State Act may be revised under Section 39 of the State Act provided that the application for revision is submitted to the Agricultural Income-Tax Officer within a period of four years from the date of the order of the original assessment under the State Act. If the appeal under the Central Act reaches finality after a period of four years from the date of the State Assessment Order no relief is admissible under Section 39 of the State Act.

The Association considered the position to be anomalous and in November a representation was addressed to the Government of West Bengal, Finance Department suggesting that the Bengal Agricultural Income Tax Act should be amended to make it clear that when there was a revision of the Central Act Assessment, applications for revision of the corresponding State Assessments would be admitted if made within a period

of three years from the date of the revision order under the Central Act. Government's reactions are awaited.

**Electricity Supply for Tea Gardens in Darjeeling.**— During the year the Association gave anxious consideration to the difficulties which were being experienced by tea gardens in Darjeeling in the matter of supplies of electricity. For some years now the Darjeeling Municipality had consistently failed to maintain the voltage at the levels stated in their agreements with tea gardens and they had now threatened to terminate the agreements and to discontinue supply to the estates if they did not stop using power at certain times. Solicitors' advice indicated that as long as the Municipality continued to hold a licence it would remain their responsibility under the Electricity Act, 1910 both to continue to supply power to those who were already connected and to maintain the voltage without interruption. The Association accordingly addressed the Chairman of the Darjeeling Municipality asking for an assurance that supplies of electricity to tea gardens would not be discontinued and that the voltage would be maintained at the agreed levels.

The problem was later discussed by representatives of the Association and the Branch with members of the West Bengal State Electricity Board who stated that the difficulties which were being experienced would be removed when the Jaldhaka Hydro-Electric Scheme was completed perhaps at the beginning of the fourth Five Year Plan. While this was satisfactory as far as long term plans were concerned they did not assuage the present difficulties and the Association urged that some steps should be taken immediately to augment the power resources of the Darjeeling Municipality. Through the good offices of the Chairman of the Tea Board it was possible to interest the Development Commissioner of the Government of West Bengal in this problem and it is hoped that the following steps which Government propose to take will assist the Darjeeling Municipality to increase its supplies of electricity:—

*The Pringsa Jhora Scheme.*—The Development Commissioner has promised to make available a loan of Rupees two lacs to the Darjeeling Municipality for the construction of a

flume from the Pringsa Jhora, which is expected to provide an additional quantity of 800 kW of power.

*Bijanbari.*—As an allotment of foreign exchange has been received for the purchase of the penstocks urgent action will be taken to complete the 250 kW Bijanbari Scheme which is expected to be ready within seven to twelve months.

*Little Rungeet Scheme.*—This scheme, which it is estimated will cost Rs. 20 lacs, is an expansion of the Bijanbari scheme and could provide an additional 100 kW of electricity.

The Chairman of Tea Board, the Development Commissioner and the State Electricity Board have agreed to recommend the scheme to the Planning Commission.

At the time of writing the State Electricity Board had offered the Darjeeling Municipality two generating sets, which would boost its present supply by some 500 kW but the Municipality has not yet been able to accept the offer although the money for the purchase of sets was promised as a loan by the Development Commissioner.

**Representation on Local Bodies.**— In last year's report it was recorded that the Association had addressed the Chief Secretary to the Government of West Bengal urging that representation should be granted to the Darjeeling Branch on the Darjeeling District Development Council, and on the District School Board, in view of the importance of the Tea Industry in the Darjeeling District.

In reply Government pointed out that representation on the District School Board was effected through elections by local bodies or by nomination by Government. Government's nominations were made on the basis of recommendations received from the District Magistrates and the Divisional Commissioners. The Association expressed the hope that the Industry's importance in Darjeeling would secure nominations in future.

At a meeting of the State Development Board held on the 25th October 1960, it was agreed that the Association should be

allowed representation on the Darjeeling District Development Board; but action has not yet been taken by Government to give effect to this decision.

**Training of Dais at Darjeeling.**—The Courses organised by the Deshbandu Dai Training Society at Darjeeling continued to be held in 1960 and a number of tea garden nominees attended, applications for admission being channelled through the Association and the Tea Board.

**Dooars & Darjeeling Nursing Home.**—The Dooars and Darjeeling Nursing Home continued to function efficiently during the year, under the supervision of the Chief Medical Officer Dr. Mrs. M. A. Patterson, M.B., Ch.B., F.R.C.S.E.

During the year a thorough investigation was made into the accounting system of the Nursing Home and as a result the Association agreed that a surcharge of 25% should be levied on all bills issued to patients and that the Schools' subscriptions should be increased by 25%. The increased rates, a copy of which is reproduced in the appendices, were brought into effect from the 1st November, 1960.

The rates of tea company subscriptions remained unchanged as follows:—

For gardens in Darjeeling	...	Rs. 1/50 per acre
For gardens in Terai	...	Rs. 1/25 .. ..
For gardens in the Dooars		
excluding Eastern Dooars	...	Rs. 0/60 .. ..
For gardens in the Eastern Dooars	...	Rs. 0/40 .. ..
Special Health Service Scheme	...	Rs. 1/50 .. ..

As the Jeep belonging to the Nursing Home had become unserviceable a new Jeep had to be ordered at a cost of about Rs. 16,000/-. This sum was raised by means of a levy of 21 nP. per acre on all subscribers to the Nursing Home.

**Darjeeling Chaplaincy Fund.**—In 1948 the Association gave an assurance to the Metropolitan of India that on condition that a Chaplain was maintained in Darjeeling an annual contribu-

tion of Rs. 5,000 would be guaranteed by the Industry to assist in the upkeep of this Chaplaincy. During the year under review Agency House gardens in the Darjeeling District contributed at the rate of 31 nP. per acre to raise the guaranteed sum but owing to the intervening sale of one of the subscribing gardens the collections only amounted to Rs. 4,772/79, which was paid to the Bishop of Barrackpore under whose jurisdiction Darjeeling falls. It is hoped that the deficit will be made up in 1961.

A. C. H. DOLPHIN,

*Chairman,*

Darjeeling & Dooars Sub-Committee.

Royal Exchange,

*Calcutta, 20th February, 1961.*



REPORT OF THE SCIENTIFIC DEPARTMENT  
SUB-COMMITTEE FOR THE YEAR ENDING  
31ST DECEMBER 1960

The following persons served as members of the Scientific Department Sub-Committee during 1960.

Mr. A. K. J. Henderson (Chairman) ...	James Warren & Co., Ltd.
Mr. P. B. Nicholls (Vice-Chairman) ...	} Williamson Magor & Co., Ltd.
Mr. F. Carman, M.B.E.	
Mr. M. S. Christie ...	Duncan Brothers & Co., Ltd.
Mr. N. S. Coldwell, M.C. ...	James Finlay & Co., Ltd.
Mr. A. C. H. Dolphin	Shaw Wallace & Co., Ltd.
Mr. H. K. FitzGerald ...	Balmer Lawrie & Co., Ltd.
Mr. D. F. Gibbs	Gillanders Arbuthnot & Co.,
Mr. G. Kydd	} Octavius Steel & Co., Ltd.
Mr. M. C. Whear	
Mr. I. F. Morriss, O.B.E.	} Jardine Henderson Ltd.
Mr. W. F. Hunter Arundell	
Mr. G. F. Oldham	} Andrew Yule & Co., Ltd.
Mr. P. A. Francis ...	
The Hon'ble S. P. Sinha	} Macneill & Barry Ltd.
Mr. M. C. Taraporvala	
Mr. G. A. Whitaker ...	Gillanders Arbuthnot & Co.,

**Organisation of Tocklai Experimental Station.**—At the end of the year under review the Senior Staff at the Experimental Station consisted of:—

*Tocklai Establishment—*

Director ...	Mr. H. Ferguson
Scientific Officer ...	Mr. A. D. Swan
(Headquarters) ...	

Finance & Accounts Officer	...	Mr. M. K. Choudhury
Maintenance Engineer	...	Mr. N. C. Barua

*Botanical Branch—*

Senior Botanist and Plant Physiologist	...	Dr. W. Wight
Plant Physiologist		Dr. D. N. Barua
Botanist	...	Mr. W. Hasfield
Additional Officer	...	Mr. P. K. Barua

*Agricultural Branch -*

Senior Agriculturist	...	Mr. S. K. Dutta
Assistant Agriculturist	...	Mr. S. K. Basu
Agronomist	...	Dr. K. N. Sharma

*Soil Chemistry—*

Senior Physical Chemist		Mr. N. G. Gokhale
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*Tea Chemistry and Technology*

Senior Bio-Chemist	...	Dr. I. S. Bhatia
Senior Manufacturing Adviser		Mr. J. M. Trimick
Assistant Tea Taster		Mr. R. Choudhury

*Plant Pathology—*

Senior Entomologist	...	Dr. G. M. Das
Mycologist	...	Mr. K. C. Sarmah
Assistant Mycologist	...	Dr. V. Agnihotrhudu
Testing Officer	...	Dr. T. D. Mukerjee

*Statistics—*

Senior Statistician	...	Dr. A. R. Sen
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*Engineering Departmen—*

Senior Research Engineer ...	Mr. I. McTear
Assistant Research Engineer	Mr. D. N. Borbora

*Organisation in the Advisory Services—*

**ASSAM**

Senior Advisory Officer ...	Mr. P. M. Glover
Acting Advisory Officer North Bank ...	Mr. H. Mitra
Acting Advisory Officer Cachar ...	Dr. P. C. Sharma

**WEST BENGAL**

Senior Advisory Officer ...	Mr. R. L. Macalpine
Advisory Officer, Darjeeling ...	Mr. W. J. Grice

**Staff,—**

(a) *Leave.*—Mr. H. Ferguson was on leave and duty in the United Kingdom from 25th July to 24th September. During this period Mr. N. G. Gokhale acted in his place. Mr. I. McTear, the Senior Research Engineer was on leave from 22nd July to 18th October, Dr. W. Wight, the Senior Botanist and Plant Physiologist returned from his leave on 26th February. Mr. W. J. Grice, the Advisory Officer, Darjeeling was on leave from 26th April to 6th November and Mr. P. M. Glover, the Senior Advisory Officer, Assam from 28th April to 15th October. Mr. W. Hadfield, the Botanist left on 18th July on overseas-cum-study leave.

The following officers spent their annual leave in India: Dr. T. D. Mukerjea, the Testing Officer, Mr. R. Choudhury, the Assistant Tea Taster, Mr. N. C. Barua, the Maintenance Engineer, Mr. K. C. Sarmah, the Mycologist, Dr. V. Agnihothrudu, the Assistant Mycologist, Mr. H. Mitra, the

Acting Advisory Officer, North Bank and Mr. S. K. Basu, the Assistant Agriculturist.

Mr. P. K. Barua, the Assistant Botanist was on sick leave throughout the year.

(b) *Visits*.—Dr. I. S. Bhatia, the Senior Bio-Chemist who had been to the United Kingdom on duty returned to Tocklai on 19th April. Dr. Bhatia again left Tocklai on 22nd December to attend the Science Congress at Roorkie. Mr. S. K. Dutta, the Senior Agriculturist visited the World Agricultural Fair at Delhi between 20th and 24th February. Dr. V. Agnihothrudu, the Assistant Mycologist participated in a survey of "Die Back Affecting Coffee" in South India in September and October. Mr. R. Choudhury, the Assistant Tea Taster was in Calcutta during January and February visiting brokers and buyers of tea. The services of Dr. A. R. Sen, the Senior Statistician were requisitioned from 21st September in connection with the Association's survey of 'Tasks'.

(c) *Resignation and Retirement*.—Mr. E. D. Heath, the Advisory Officer, Cachar retired on 25th January on medical grounds. Mr. D. J. Gray, the Advisory Officer, North Bank resigned and left on 21st April and Mr. M. J. Green, the Selection Officer on 26th April. Dr. N. B. Chanda, the Assistant Bio-Chemist left Tocklai on 3rd April.

(d) *Transfers*.—Dr. P. C. Sharma took over from Mr. Heath as Acting Advisory Officer, Cachar on 25th January, and Mr. H. Mitra took over from Mr. Gray on 16th April as Acting Advisory Officer, North Bank.

(e) *Promotion*.—Mr. M. K. Choudhury, the Accounts Clerk was promoted on 1st November to the newly created post of Finance and Accounts Officer in the Additional Officer Grade.

#### **Branches.—**

The Physico Chemical Branch continued its studies on the long term effects on the soil of continuous application of sulphate of ammonia, and of the growth of tea

under known conditions. Further data on the mineral composition of tea leaves from different "jats" and from different known soil treatment was obtained by foliar analysis of old and young leaves. Significant differences between jats occurred only in the case of some minerals. Calcium, magnesium and sulphur contents of tea leaf were studied in relation to continuous application of sulphate of ammonia. This branch continued to be responsible for the collection of meteorological data and continued its analysis of daily rainfall data. This was of particular interest because of the widely distributed drought conditions in 1960.

The Botanical Branch continued its work under the main heads of illumination and nutrients, tea breeding and taxonomy. At the end of the year certain experiments on illumination were discontinued, though further data had been collected for analysis during the year. During the year work on the relative value of differently positioned leaves for maintenance produced interesting results. Certain root studies were also carried out. Work on tea breeding continued with the production and testing of further progenies. Further results were obtained on the reaction of different progenies to shade. It has been shown that shade response and manure responses are both correlated with heterosis. Experimental confirmation was obtained of the value of pubescence and phloem index as indicators for selection for quality, and practical results showing the value of mass selection based on pubescence are now becoming available. Morphological characters of taxonomic value were further studied during 1960 and were used to assist in the classification of agrotypes as well as the elucidation of the taxa from which they are derived. Steady progress is being made in the writing up and publication of this branch's work. The advisory service on propagation and clonal tea had to be permanently curtailed during 1960 because of the resignation of the Selection Officer.

The Agricultural Branch carried out its programme of field experiments at Borbhetta and in the tea growing areas. N. P. K. fertilizer experiments at Borbhetta had reached a stage where results could be reviewed in 1960, and this has been done. Following this review a number of the experiments concerned

have been stopped. An interim review of pruning in relation to yield and quality was also possible and was carried out in 1960. Manuring, Shade, Pruning and Spacing continued to be the main subjects of long term experiments. A large number of short term comparisons of sulphate of ammonia with other types of nitrogenous fertilizer (principally urea) were continued in view of the continued shortage of sulphate of ammonia and pressure on the industry to use alternative sources of nitrogen. Pruning, planting and manuring of young tea continues to receive special attention in order to find the range of practices which can safely be used for each particular operation. A number of new herbicides were tried in 1960 to test their effect on weeds of different kinds, and on the tea bush itself. In the same way a number of chemical defoliants have also been tried. In both cases a few of the chemicals under test have proved to be reasonably satisfactory.

The Entomological Section of the Plant Pathology Branch again concentrated its efforts on red spider. Investigation on the relationship between red spider and environment conditions were continued and results on some aspects of this work were published. Studies were also made of red spider predators. Amongst the other pests of tea which received special study in 1960 were eelworms, coccids, thrips, jassids and scarlet mite. Some attention was paid to pests of shade trees. The pest and disease survey continued during 1960, but this work, as well as much of the other activities of the branch, was seriously affected by the language disturbances in Assam and by shortage of staff.

The Mycological Section of the Plant Pathology branch continued its investigations on tea diseases particularly root rots. Tea flower diseases, black rot, red rust and thorny stem blight were also the subject of special study. In the case of root rots studies were made of the mycoflora associated with diseased and healthy bushes, and this was found to be significantly different. Fungi associated with tea itself, with shade trees, and with green crops, continued to be isolated and identified throughout the year. This section as usual participated in certain fungicidal trials during the year.

The Pesticide Testing Unit of the Plant Pathology Department continued its prime function of screening insecticides, acaricides, nematocides, fungicides, and herbicides during the year, co-operating when necessary with other branches involved. Work on the standardisation of techniques and test insects also continued. In the case of several of the products under trial samples for testing for taints were prepared and tested at Tocklai, and samples for residue estimation were prepared and submitted to manufacturers. It was possible to certify a number of the products tried as satisfactory, and several others are pending further trial, or satisfactory settlement with the U.S.A. authorities of the residue tolerance 1960 results confirmed the efficacy of Tedion and Kelthane as acaricides against red spider.

The Biochemistry Branch continued its work on the analysis of tea in the green leaf stage and at different stages of manufacture. The polyphenols, pectins and organic acids, and amino acids were the main groups of substances studied. Methods of estimating individual polyphenols were developed, and the results of such estimation on green leaf showed significant differences between the main polyphenols present before fermentation. It was shown that the amount and particularly the type of amino acid changed significantly during withering and this is being studied to elucidate the nature of "chemical" wither. As usual this branch participated in manufacturing experiments, and a large number of theaflavin and thearubigin spectrophotometer estimations were made on samples from manufacturing experiments. These generally correlated well with taster's reports, and it was shown that where fermentation temperatures were above the optimum for producing acceptable teas the correlation no longer held.

The Tea Tasting and Manufacturing Advisory Branch co-operated with the Engineering Development Branch in the pilot commercial trials of new machines at Dessoie throughout the manufacturing season, and in small scale manufacturing experiments conducted at Tocklai. The tasting of clonal and experimental samples for Tocklai and for tea companies continued

on a large scale in 1960, there being a considerable increase in the number of estate samples tasted. Advice on manufacture was given to several estates, seventy nine visits in all being made.

The Engineering Development Branch carried out a pilot commercial scale manufacturing trial at Dessie Tea Estate during the year. The machines under trial were the Continuous Withering Machine and Tocklai Continuous Roller (No. 2 Roller). These machines were incorporated in a complete manufacturing system in which Rotorvanes were also used in processing the coarse mal. Satisfactory results were obtained, several improvements in the withering machine were indicated, and experiments were later conducted at Tocklai to find out how these could best be incorporated in a new prototype machine. Preliminary experiments on fermentation and drying were carried out at Tocklai at the request of Mr. Tall who visited the Station in July, 1960. These provided data for further development of continuous fermenting and drying machines. Further development of the prototype drying machine was done to achieve air flow through as well as over the leaf.

The Statistical Branch continued its work on the Survey of Pests and Diseases in co-operation with the Plant Pathology Branch. The data already collected has provided information on the distribution of the major pests and diseases of tea and provisional estimates of the losses due to them. The survey was extended to the Dooars during 1960. Further study was made on the relationship between weather and yield. Significant correlations between yield and certain climatic factors have been established within years, though, of course, further data is required before these correlations can be widely applied. The branch continued its study of data from uniformity trials, and continued to advise other branches on experimental design and analysis. Towards the end of the season the branch's resources were switched to urgent work on tasks in tea gardens. This was necessitated to establish factual information required by other departments of the Association.

The Advisory Services were adversely affected during 1960 by resignations of Staff and by absence of advisory officers on leave.



As a result the total number of advisory visits which it was possible to make in 1960 was considerably reduced. In Assam South Bank and North Bank of the Brahmaputra, and Cachar a total of 242 visits were paid against 389 in the previous year. Of these 55 were to non-member gardens against 36 in 1959. In West Bengal (Dooars, Darjeeling and Terai) a total of 165 garden visits were made against 279 in the previous year. In this case 12 visits were paid to non-member gardens against 40 in 1959. Particularly in the Assam Valley and Cachar, much advice was sought on drought damage and its prevention following the severe drought in 1959/60. Apart from the severe drought the outbreak of *Helopeltis* which had affected the Dooars in 1959 was the only serious problem which had to be dealt with. The Advisory Branches continued to supervise the many experiments being conducted in the tea gardens in their districts, and at small experimental plots at each branch headquarters.

**Tocklai Annual Conference.**— The 17th Annual Conference took place at Tocklai Experimental Station on 15th, 16th and 17th November, 1960. The subjects for the Conference were "Aspects of Long-term Agronomic Research" and "Engineering Development and Manufacture." Papers were read by various members of the staff and time was given for questions and for discussion. Demonstrations were given at Tocklai and Borbhetta and arrangements were also made for the delegates to visit Dessoie Tea Estate for demonstrations of prototype machinery.

**Lecture Courses.**— Three short lecture courses were held at the Station in February/March, 1960, each course catering for 25 planters. The courses were designed to assist managers and assistant managers in acquiring up-to-date scientific knowledge on tea cultivation and manufacture. The courses were run by the advisory staff and covered a period of six days each.

In response to a number of requests, arrangements were made for holding two short lecture courses on tea plucking during August. Owing to the language disturbances, however,

it proved necessary to cancel the arrangements. It is possible that an endeavour will be made to run the courses during 1961.

Two short courses on vegetative propagation were held in October/November, 1960, each course lasting for a period of three days.

**Jorhat Exhibition.**— This year a Tocklai stall was organised by the Engineering Development Branch at the Jorhat Club Race Week Exhibition held between 8th and 13th February. A 6" prototype of the McTear Rotorvane was on display together with samples of teas manufactured by the machine and comparative samples of orthodox and C.T.C. manufacture.

**Broadcast.**— A team from All-India Radio visited Tocklai during the year and recorded a feature programme on the Experimental Station which was broadcast on 15th November, 1960 from the radio station at Gauhati.

**Visits.**—(1) Mr. D. W. Tull, the London Consultant Engineer of the Association, visited Tocklai in June to examine the progress made in developing machines for a continuous system of manufacture. Details were worked out for conducting the programme of experimental manufacture at Dessoie Tea Estate and for further experiments at Tocklai.

(2) Mr. J. S. Hardman, Shillong Advisor, visited the Station in August in order to examine the administration of Tocklai Experimental Station. Following his visit he submitted a report recommending a number of changes which are now in hand.

(3) A Central Government delegation visited Tocklai early in September in connection with the Association's application for a Government subvention to assist in financing the Station. The delegation was led by Mr. A. J. Kidwai, Deputy Secretary to the Government of India, and the results of their findings are awaited.

**Report by Sir Percival Griffiths.**— Sir Percival Griffiths completed his investigations at Tocklai early in the year and his subsequent report on the Station's finances was submitted to the Association in March 1960. There was considerable discussion

throughout the year on the basis of this report and a number of steps were taken both to reduce expenditure and to increase the revenue of the Scientific Department.

**Charges for Services.**— Sir Percival Griffiths recommended in his Report on the Association's finances that the charges for a number of Tocklai services which were available to non-members should be increased. The matter was carefully considered and towards the end of the year all advisory charges to non-members were substantially increased. The charges to non-members for attending courses at Tocklai were also increased: the fee for short lecture courses was raised from Rs. 150 to Rs. 400 a head and the fee for the one year training courses was raised from Rs. 1,000 to Rs. 2,400.

Further increases were made during 1960 in the charges for board and accommodation at Tocklai Guest House, in the fees charged to manufacturers for testing their pesticides and fungicides, and in the charges for Tocklai publications. It was also decided that a charge of Rs. 1/- a cutting would be made for pre-treated cuttings distributed by Tocklai with effect from 1st January 1961. As far as practicable the principle was applied that the cost of the various services provided should be covered by the charges made for those services.

**Accounts.**— Following the investigations made by Sir Percival Griffiths and by Mr. J. S. Hardman, a number of steps were taken to revise budgeting and accounting procedure at Tocklai. As part of the reorganisation the new post of 'Finance and Accounts Officer' was created and filled by promoting a qualified member of the junior staff.

**Labour Relations.**— Early in the year the labour at Tocklai and Borbhetta were paid 'special allowance' in lieu of bonus for the years 1957 and 1958. Payment of the special allowance for 1959 and 1960 has not yet been made and will depend on the outcome of the industry-wide negotiations on labour bonus for those years.

The Association's appeal against the payment of puja bonus to the junior staff was pending before the Supreme Court. In

accordance with a stay order issued by the Supreme Court, the Association made a puja bonus advance to the junior staff in return for a written undertaking by each member to repay the amount if the Supreme Court upholds the Association's appeal.

Several conciliation meetings were held during the year, and a number of issues relating to labour, subordinate staff, and artisans were settled.

As part of the Association's economy measures, steps were taken to retrench some members of the staff towards the end of the year. Three junior staff and six subordinate staff were accordingly retrenched on 30th November. Other necessary economic, in the cost of staff were effected through 'natural wastage'.

**Emergency in Assam.**—Early in July the Station's normal working was interrupted as a result of civil disturbances in Assam arising from the State language agitation. Some twenty members of the Bengali staff at Tocklai took leave in mid-July and emergency arrangements were made to fly them and their families to Calcutta. A meeting was held in the Bengal Chamber on 26th July at which the employees concerned agreed to return to Tocklai. Subsequently all the Bengali Staff involved resumed their duties by 1st August.

**Scientific Department Publications.**— In addition to the usual Quarterly and other Reports issued by the Scientific Department the following articles were published in Indian and Foreign Scientific Journals, and by the Association in its own publications.

**Articles in Scientific Journals etc.—**

1. Manuring of Green Crops Used in Tea Culture by S. K. Datta and K. N. Sharma.
2. Notes of Fungi from North-East India, IV Myxomycetes (Continued) by V. Agnihothrudu.
3. A New Species of Haplosporella from Assam by V. Agnihothrudu and W. Hadfield.

150. Fermentation Area Requirements.
151. Water Samples for Examination.
152. Tea Seed—Collection-Testing-Sorting-Grading and Packing.
153. Raghumala (*Loranthus* sp.?)
154. Vegetative Propagation—Preparation and Use of Pretregation Cuttings.
- 24/2. (Part II)—The Practical Significance of Botanical Nomenclature Part II : The Tea Plant.

**Revised Serials.—**

- 36/3. Hail Damage on Tea Estates.
- 46/2. Shade.
- 65/3. Branch Die-Back and Nectria.
- 68/2. Branch Canker (*Poria Hypobrunnea* PETCH) Following Sun-Scorch and Branch Damage.
- 78/1. Cricket Control.

A. K. J. HENDERSON.

Royal Exchange.

*Chairman,*

CALCUTTA,

Scientific Department

21th February, 1961.

Sub-Committee.











